

Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-8
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

THE WASHINGTON WATER POWER COMPANY

(Exact name of registrant as
specified in its charter)

WASHINGTON
(State or other jurisdiction of
incorporation or organization)

91-1653826
(I.R.S. Employer
Identification No.)

1411 East Mission Avenue
Spokane, Washington 99202-2600
(509) 489-0500

(Address, including zip code, and telephone number,
including area code, of registrant's principal executive offices)

THE WASHINGTON WATER POWER COMPANY
UNFUNDED OUTSIDE DIRECTOR RETIREMENT PLAN
(Full Title of Plan)

JON E. ELIASSEN
Senior Vice President
and Chief Financial Officer
The Washington Water Power Company
1411 East Mission Avenue
Spokane, Washington 99202
(509) 489-0500

J. ANTHONY TERRELL
ELIZABETH W. POWERS
Reid & Priest LLP
40 West 57th Street
New York, New York 10019-4097
(212) 603-2000

(Names, addresses and telephone numbers, including area codes, of agents
for service)

CALCULATION OF REGISTRATION FEE

Title of securities to be registered	Amount to be registered(1)	Proposed maximum offering price per unit (2)	Proposed maximum aggregate offering price (2)	Amount of registration fee
Common Stock (no par value)	. . 13,000 shares	\$18.625	\$242,125	\$73.37(3)
Preferred Share Purchase Rights	. . 13,000 rights(3)			

- (1) In addition, pursuant to Rule 416(a) under the Securities Act of 1933, as amended, this registration statement also covers any additional securities to be offered or issued in connection with a stock split, stock dividend or similar transaction.
- (2) Estimated pursuant to Rule 457(h) under the Securities Act of 1933, as amended, based on the average of the reported high and low sales prices on the consolidated transaction reporting system on February 24, 1997.
- (3) The Preferred Share Purchase Rights (the "Rights") are appurtenant to and will trade with the Common Stock. The value attributable to the Rights, if any, is reflected in the market price of the Common Stock. Since no separate consideration is paid for the Rights,

the registration fee for such securities is included in the fee for the Common Stock.

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THE WASHINGTON WATER POWER COMPANY
UNFUNDED OUTSIDE DIRECTOR RETIREMENT PLAN

PART II

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 3. INCORPORATION OF DOCUMENTS BY REFERENCE.

The Washington Water Power Company (the "Company") hereby incorporates herein by reference the following documents previously filed by the Company with the Securities and Exchange Commission:

- (1) Annual Report on Form 10-K for the year ended December 31, 1995, the Quarterly Reports on Form 10-Q for the quarters ended March 31, June 30, and September 30, 1996, and the Current Report on Form 8-K dated December 1, 1996.

All documents subsequently filed by the Company pursuant to Sections 13, 14 or 15(d) of the Securities Exchange Act of 1934, as amended, prior to the filing of a post-effective amendment which indicates that all securities offered have been sold or which deregisters all securities then remaining unsold shall be deemed to be incorporated herein by reference and to be a part hereof from the respective dates of filing thereof. Any statement contained in an incorporated document shall be deemed to be modified or superseded to the extent that a statement contained herein or in any subsequently filed incorporated document modifies or supersedes such statement.

Item 4. DESCRIPTION OF COMMON STOCK

The authorized capital stock of the Company consists of 10,000,000 shares of Preferred Stock, cumulative, without nominal or par value, which is issuable in series, and 200,000,000 shares of Common Stock without nominal or par value. Following is a brief description of certain of the rights and privileges of the Common Stock of the Company. For a complete description, reference is made to the Company's Restated Articles of Incorporation, as amended (the "Articles"), and to the laws of the State of Washington. The following summary, which does not purport to be complete, is qualified in its entirety by such reference.

DIVIDEND RIGHTS

After full provision for all Preferred Stock dividends declared or in arrears, the holders of Common Stock of the Company are entitled to receive such dividends as may be lawfully declared from time to time by the Board of Directors of the Company.

VOTING RIGHTS

The holders of the Common Stock have sole voting power, except as indicated below or as otherwise provided by law, and each holder of Common Stock is entitled to vote cumulatively for the election of directors. If dividends payable on any shares of Preferred Stock shall be in arrears in an amount equal to the aggregate amount of dividends accumulated on such shares of Preferred Stock over the eighteen (18) month period ended on such date, the holders of such stock become entitled, as one class, to elect a majority of the Board of Directors, which right does not cease until all defaults in the payment of dividends on the Preferred Stock shall have been cured. In addition, the consent of various proportions of the Preferred Stock at the time outstanding is required to adopt any amendment to the Articles which would authorize any new class of stock ranking prior to or on a parity with the Preferred Stock as to certain matters, to increase the authorized number of shares of the Preferred Stock or to change any of the rights or preferences of outstanding Preferred Stock.

CLASSIFIED BOARD OF DIRECTORS

Both the Articles and the Company's Bylaws, as amended (the "Bylaws") provide for a Board of Directors divided into three classes, each of which will generally serve for a term of three years, with only one class of directors being elected in each year. The Articles and Bylaws also provide that directors may be removed only for cause and only by the affirmative vote of the holders of at least a majority of the Common Stock. The Articles and Bylaws further require an affirmative vote of the holders of at least 80% of the Common Stock to alter, amend or repeal the provisions relating to the classification of the Board of Directors and the removal of members from, and the filling of vacancies on, the Board of Directors.

CHANGE IN CONTROL

The Articles contain a "fair price" provision which requires the affirmative vote of the holders of at least 80% of the Common Stock for the consummation of certain business combinations, including mergers, consolidations, recapitalizations, certain dispositions of assets, certain issuances of securities, liquidations and dissolutions involving the Company and a person or entity who is or, under certain circumstances, was, a beneficial owner of 10% or more of the outstanding shares of Common Stock (an "Interested Shareholder") unless (a) such business combination shall have been approved by a majority of the directors unaffiliated with the Interested Shareholder or (b) certain minimum price and procedural requirements are met. The Articles provide that the "fair price" provision may be altered, amended or repealed only by the affirmative vote of the holders of at least 80% of the Common Stock.

PREFERRED SHARE PURCHASE RIGHTS

Reference is made to the Rights Agreement, dated as of February 16, 1990, as amended (the "Rights Agreement"), between the Company and The Bank of New York, successor Rights Agent to First Chicago Trust Company of New York, filed with the Securities and Exchange Commission. The following statements are qualified in their entirety by such reference.

The Company has 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 (a "Right") on each outstanding share of Common Stock. The description and terms of

the Rights are set forth in the Rights Agreement. Certain of the capitalized terms used in the following description have the meanings set forth in the Rights Agreement.

The Rights have certain anti-takeover effects. The Rights may cause substantial dilution to a person or group that attempts to acquire the Company on terms not approved by the Company's Board of Directors, except pursuant to an offer conditioned on a substantial number of Rights being acquired. The Rights should not interfere with any merger or other business combination approved by the Board of Directors of the Company prior to the time that a person or group has acquired beneficial ownership of 10% or more of the Common Stock since until such time the Rights may be redeemed as hereinafter described.

Each Right, initially evidenced by and traded with the shares of Common Stock, entitles the registered holder to purchase one two-hundredth of a share of Preferred Stock of the Company, without par value (the "Preferred Shares"), 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.

If any person or group acquires 10% or more of the outstanding Common Stock, each Right will entitle its holder (other than such person or members of such group), subject to regulatory approval and other specified conditions, to purchase that number of shares of Common Stock or Preferred Shares having a market value of twice the Right's exercise price. In addition, in the event that any person or group has acquired 10% or more of the outstanding Common Stock or the Company consolidates or merges with or into, or sells 50% or more of its assets or earning power to, any person or group, or engages in certain "self dealing" transactions with any person or group owning 10% or more of the outstanding Common Stock, proper provision will be made so that each Right would thereafter entitle its holder to purchase that number of the acquiring company's common shares having a market value at that time of twice the Right's exercise price.

At any time after a person or group acquires more than 10% but less than 50% of the outstanding Common Stock, the Board of Directors of the Company may, subject to any necessary regulatory approval, require each outstanding Right to be exchanged for one share of Common Stock or cash, securities or other assets having a value equal to the market value of one share of Common Stock.

The Rights may be redeemed, at a redemption price of \$.005 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. Under certain circumstances, the decision to redeem the Rights will require the concurrence of a majority of the Continuing Directors. The Rights will expire on February 16, 2000.

LIQUIDATION RIGHTS

In the event of any liquidation of the Company, after satisfaction of the preferential liquidation rights of the Preferred Stock, the holders of the Common Stock would be entitled to share ratably in all assets of the Company available for distribution to shareholders.

PRE-EMPTIVE RIGHTS

No holder of any stock of the Company has any pre-emptive rights.

MISCELLANEOUS

The presently outstanding shares of Common Stock of the Company are fully paid and nonassessable.

The Common Stock of the Company is listed on the New York and Pacific Stock Exchanges.

The New York Transfer Agent and Registrar for the Common Stock is The Bank of New York, 101 Barclay Street, 11th Floor, New York, New York 10286. The Company, P.O. Box 3647, Spokane, Washington 99220-3647, is an additional Transfer Agent and Registrar for the Common Stock.

Item 5. INTERESTS OF NAMED EXPERTS AND COUNSEL.

The Company's consolidated financial statements and related financial statement schedules for the year ended December 31, 1995, incorporated in this registration statement by reference from the Company's Annual Report on Form 10-K, have been audited by Deloitte & Touche LLP, independent auditors, as stated in their report, and have been so incorporated in reliance upon the report of such firm given upon their authority as experts in accounting.

Item 6. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Article Seventh of the Articles provides, in part, as follows:

"The Corporation shall, to the full extent permitted by applicable law, as from time to time in effect, indemnify any person made a party to, or otherwise involved in, any proceeding by reason of the fact that he or she is or was a director of the Corporation against judgments, penalties, fines, settlements and reasonable expenses actually incurred by him or her in connection with any such proceeding. The Corporation shall pay any reasonable expenses incurred by a director in connection with any such proceeding in advance of the final determination thereof upon receipt from such director of such undertakings for repayment as may be required by applicable law and a written affirmation by such director that he or she has met the standard of conduct necessary for indemnification, but without any prior determination, which would otherwise be required by Washington law, that such standard of conduct has been met. The Corporation may enter into agreements with each director obligating the Corporation to make such indemnification and advances of expenses as are contemplated herein. Notwithstanding the foregoing, the Corporation shall not make any indemnification or advance which is prohibited by applicable law. The rights to indemnity and advancement of expenses granted herein shall continue as to any person who has ceased to be a director and shall inure to the benefit of the heirs, executors and administrators of such a person."

The Company has entered into indemnification agreements with each director as contemplated in Article Seventh of the Articles.

Article IX of the Company's Bylaws contains a similar provision to that contained in the Articles and in addition, provides in part, as follows:

"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."

Reference is made to Washington Business Corporation Act 23B.08.510, which sets forth the extent to which indemnification is permitted under the laws of the State of Washington.

Insurance is maintained on a regular basis (and not specifically in connection with this offering) against liabilities arising on the part of directors and officers out of their performance in such capacities or arising on the part of the Company out of its foregoing indemnification provisions, subject to certain exclusions and to the policy limits.

Item 8. EXHIBITS.

Reference is made to the Exhibit Index on page II - 8 hereof.

Item 9. UNDERTAKINGS.

The undersigned registrant hereby undertakes:

- (1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement; (i) to include any prospectus required by Section 10(a)(3) of the Securities Act of 1933; (ii) to reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement, (Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement.) and (iii) to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the

registration statement; provided, however, that the registrant need not file a post-effective amendment to include the information required to be included by subsection (i) or (ii) if such information is contained in periodic reports filed with or furnished to the Commission by the registrant pursuant to Section 13 or Section 15(d) of the Exchange Act that are incorporated by reference in the registration statement.

- (2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
- (3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.
- (4) That, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered herein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant, pursuant to the provisions described under Item 6 above, or otherwise, the registrant has been informed that in the opinion of the Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted against the registrant by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

POWER OF ATTORNEY

The Registrant hereby appoints each Agent for Service named in this Registration Statement as its attorney-in-fact to sign in its name and behalf, and to file with the Commission, any and all amendments, including post-effective amendments, to this Registration Statement, and each director and/or officer of the Registrant whose signature appears below hereby appoints each such Agent for Service as his attorney-in-fact with like authority to sign in his name and behalf, in any and all capacities stated below, and to file with the Commission, any and all such amendments.

SIGNATURES

THE REGISTRANT. Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Spokane, State of Washington, on this 14th day of February 1997.

THE WASHINGTON WATER POWER COMPANY

By /s/ Paul A. Redmond

Paul A. Redmond
Chairman of the Board
and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the date indicated.

SIGNATURE -----	TITLE -----	DATE ----
/s/ Paul A. Redmond ----- Paul A. Redmond (Chairman of the Board and Chief Executive Officer)	Principal Executive Officer and Director	February 14, 1997
/s/ W. Lester Bryan ----- W. Lester Bryan (President and Chief Operating Officer, Director)	Principal Executive Officer and Director	February 14, 1997
/s/ J. E. Eliassen ----- J. E. Eliassen (Senior Vice President and Chief Financial Officer)	Principal Financial and Accounting Officer	February 14, 1997
/s/ David A. Clack ----- David A. Clack	Director	February 14, 1997
/s/ Duane B. Hagadone ----- Duane B. Hagadone	Director	February 14, 1997
/s/ Eugene W. Meyer ----- Eugene W. Meyer	Director	February 14, 1997
/s/ General H. Norman Schwarzkopf ----- General H. Norman Schwarzkopf	Director	February 14, 1997

/s/ B. Jean Silver

Director

February 14, 1997

B. Jean Silver

/s/ Larry A. Stanley

Director

February 14, 1997

Larry A. Stanley

/s/ R. John Taylor

Director

February 14, 1997

R. John Taylor

EXHIBIT INDEX

Exhibit -----	With Registration Number -----	As Exhibit -----	
*4(a)	1-3701 (with Form 10-Q for quarter ended June 30, 1994)	4(a)	Restated Articles of Incorporation, as amended, of the Company.
*4(b)	1-3701 (with Form 10-Q for quarter ended June 30, 1995)	3(b)	Bylaws of the Company, as amended May 11, 1995.
*4(c)	1-3701 (with Form 8-K dated February 16, 1990)	4(n)	Rights Agreement, dated as of February 16, 1990, between the Company and The Bank of New York as successor Rights Agent.
*4(d)	1-3701 (with Form 10-Q for quarter ended March 31, 1994)	4(b)	Amendment No. 1 to Rights Agreement, dated as of May 10, 1994.
*4(e)	1-3701 (with Form 10-Q for quarter ended September 30, 1994)	4(b)	Amendment No., 2 to Rights Agreement, dated as of June 27, 1994.
10			Unfunded Outside Director Retirement Plan (as terminated), including board resolutions terminating plan.
23			Consent of Deloitte & Touche LLP.
24			See page II-7 for Power of Attorney

* Previously filed and incorporated herein by reference.

THE WASHINGTON WATER POWER COMPANY
 UNFUNDED OUTSIDE DIRECTOR RETIREMENT PLAN
 EFFECTIVE MAY 1, 1988

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THE WASHINGTON WATER POWER COMPANY
UNFUNDED OUTSIDE DIRECTOR RETIREMENT PLAN
EFFECTIVE MAY 1, 1988

ARTICLE I.
Definitions

1.1 Administrator. The Administrator appointed to administer

the WASHINGTON WATER POWER COMPANY UNFUNDED OUTSIDE DIRECTOR RETIREMENT
PLAN, as appointed from time to time.

1.2 Company. The Washington Water Power Company.

1.3 Disability. The total and permanent physical or mental

inability to perform the duties assigned to an Outside Director, which
total and permanent disability is likely to continue for the remainder of
said director's life.

1.4 Effective Date. May 1, 1988.

1.5 Final Annual Retainer Fee. The annual retainer fee paid to

Outside Directors which is in effect at the time the elected director
resigns or otherwise terminates his services.

1.6 Outside Director(s). An elected director of the Company who

is not an employee of the Company.

1.7 Plan. The Washington Water Power Company Unfunded Outside

Director Retirement Plan.

1.8 Retirement. The termination of the Outside Director's

appointment to the Company's board of directors.

1.9 Surviving Spouse. The legal spouse of the Outside Director

as determined at the time of said director's death.

1.10 Year of Service. A partial or complete calendar year during

which the Outside Director was an elected director of the Company.

ARTICLE II.
Purpose of Plan

2.1 Purpose. The Plan is designed to provide retirement

benefits payable out of the general assets of the Company as provided in
Article IV.

ARTICLE III.
Eligibility

3.1 Eligibility. Each Outside Director who has completed five

(5) or more Years of Service shall be entitled to the benefits herein
described. For purposes of establishing eligibility, service shall include
Years of Service as an Outside Director prior to the Effective Date of this
Plan.

ARTICLE IV.
Benefits

4.1 Normal Retirement Benefit. An Outside Director shall become

eligible for a normal retirement benefit upon the attainment of age seventy
(70) while still serving as an elected director with at least five (5)

Years of Service. The normal retirement benefit shall be calculated as follows:

Five percent (5%) of the Outside Director's Final Annual Retainer Fee for each Year of Service not to exceed twenty (20) years.

4.2 Early Retirement Benefit. An Outside Director shall become

eligible for an early retirement benefit upon completion of at least five (5) Years of Service. The early retirement benefit, if any, shall be calculated as follows:

Five percent (5%) of the Outside Director's Final Annual Retainer Fee for each Year of Service not to exceed twenty (20) years; reduced by thirty-three hundredths percent (.33%) for each calendar month the Outside Director's retirement precedes his seventieth birthday.

4.3 Pre-Retirement Survivor Benefit. In the event of an

eligible Outside Director's death, fifty percent (50%) of the benefit to which the eligible director was entitled at the date of his death shall be paid to the Surviving Spouse.

4.4 Post-Retirement Survivor Benefit. In the event of a retired

Outside Director's death, fifty percent (50%) of the retired Outside Director's benefit shall continue to be paid to the Surviving Spouse.

4.5 Disability Benefit. Should Disability occur prior to age

seventy (70) and at a time when the Outside Director was still actively serving as an elected member of the Company's board of directors, an eligible director shall be entitled to a disability benefit equal to the early retirement benefit described in Section 4.2, if any.

4.6 Form of Benefit Payments. The benefits payable to or on

behalf of an Outside Director as determined under Sections 4.1, 4.2, 4.3, 4.4 and 4.5 shall be paid in the form of a life annuity.

4.7 Time of Benefit Payments. Benefits due under the Plan shall

be due annually, payable in equal monthly installments, commencing on the first day of the month coincident with or next following the Retirement, Disability or death of the Outside Director and continuing for the life of the Outside Director or the Surviving Spouse, as the case may be. At the sole discretion of the board of directors, other schedules of payment may be established.

4.8 Benefits Unfunded. The benefits payable under the Plan

shall be paid by the Company each year out of its general assets and shall not be funded in any manner. All payments shall be paid in cash from the general funds of the Company and no special or separate fund shall be established and no other segregation of assets shall be made to assure the payment of such amounts due and owing. The Outside Director shall have no right, title, or interest whatever in or to any investment which the Company may make to aid it in meeting its obligations hereunder. Nothing contained in this Plan and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind, or a fiduciary relationship, between the Company and the Outside Director or any other person. To the extent that any person requires a right to receive payments from the Company, such rights shall be no greater than the right of an unsecured creditor.

ARTICLE V.
Administration

5.1 Duties of Administrator. The Plan shall be administered by

the Administrator in accordance with its terms and purposes. The Administrator shall determine the amount and manner of payment of the benefits due to or on behalf of each Outside Director from the Plan and shall cause them to be paid by the Company accordingly.

5.2 Finality of Decisions. The decisions made by and the

actions taken by the Administrator in the administration of the Plan shall

be final and conclusive on all persons; and, the Administrator shall not be subject to personal liability with respect to the Plan.

5.3 Benefit Forfeiture. All benefits provided by this Plan may

be forfeited by the Outside Director and the Outside Director's Surviving Spouse if in the judgement of the Administrator the Outside Director is responsible for acts or omission which subject the Company to public disrespect, scandal or ridicule, or if the Outside Director is responsible for acts of misconduct including, but not limited to, acts of theft, embezzlement, fraud or moral turpitude. The Administrator's determination as to the grounds for forfeiture shall be conclusive and binding on all parties.

ARTICLE VI.
Amendment and Termination

6.1 Amendment and Termination. While the Company intends to

maintain the Plan for as long as necessary, the Company reserves the right to amend and/or terminate it at any time for whatever reasons it may deem appropriate.

6.2 Contractual Obligation. Notwithstanding Section 6.1, the

Company hereby makes a contractual commitment to pay the benefits accrued under the Plan to the extent it is financially capable of meeting such obligations. A benefit under this Plan shall not be deemed to have "accrued" unless payments have already commenced being paid to a particular Outside Director or Surviving Spouse prior to the time the Plan is amended and/or terminated in the manner described in Section 6.1 above.

6.3 Change in Control. In the event of a "change in control" as

defined in Article Eight of the Restated Articles of Incorporation of The Washington Water Power Company, an eligible Outside Director shall become immediately entitled to a normal retirement benefit. For purposes of this Section only, eligibility shall be defined to include any Outside Director with at least one (1) Year of Service, and eligible directors shall be credited with a minimum of five (5) Years of Service. Further, in the event of a "change in control," then the Retirement, survivor or Disability benefits then being paid at the date of the change in control shall continue for the life of the Outside Director or Surviving Spouse, as the case may be.

ARTICLE VII.
Miscellaneous

7.1 No Employment Rights. Nothing contained in the Plan shall

be construed as a contract of employment between the Company and an Outside Director. It is mutually acknowledged that the relationship between the Company and the Outside Director is that of an independent contractor.

7.2 Assignment. No amount payable at any time hereunder shall

be subject in any manner to alienation by anticipation, sale, transfer, assignment, bankruptcy, pledge, attachment, charge, or encumbrance of any kind nor in any manner be subject to the debts or liabilities of any person, and any attempt to so alienate or subject any such amount, whether then or thereafter payable, shall be void. If any person shall attempt to, or shall, alienate, sell, transfer, assign, pledge, attach, charge, or otherwise encumber any amount payable hereunder, or any part thereof, or if by reason of his bankruptcy or other event happening at any such time, such amount would be made subject to his debts or liabilities or would otherwise not be enjoyed by him, then the Administrator if it so elects, may direct that such amount be withheld and that the amount or any part thereof be paid or applied to or for the benefit of such person, or his spouse, in such manner and proportion as said Administrator may deem proper.

7.3 Law Applicable. This Plan shall be governed by the laws of

the State of Washington.

ADOPTED AND APPROVED this ___ day of _____, 1990, to be effective May 1, 1988, as previously approved by the Company.

By _____
(Officer of the Company)

(Title)

THE WASHINGTON WATER POWER COMPANY

Excerpt from Minutes of Meeting of
Board of Directors held February 14, 1997

In addition, the Chairman reminded directors of previous discussions with respect to the termination of the Unfunded Outside Director Retirement Plan (bearing the effective date of May 1, 1988). He stated that the Compensation Committee is now formally recommending that effective December 31, 1996, The Washington Water Power Company Unfunded Outside Director Retirement Plan be terminated and that, as previously discussed and considered at past meetings of the Compensation Committee of the Board, the present value of the accrued retirement benefit for all active non-employee directors be distributed in the form of Company Common Stock to be purchased on the open market.

After discussion, the following resolutions were moved, seconded, and unanimously adopted:

BE IT RESOLVED that The Washington Water Power Company Unfunded Outside Director Retirement Plan ("Director Retirement Plan") is hereby terminated effective December 31, 1996, and the four directors who have benefits presently in "pay status" will continue to receive said benefits pursuant to the terms and conditions of said plan as determined at the time benefits commenced being paid; and

BE IT RESOLVED FURTHER that the present value of the accrued retirement benefit (which, as deemed appropriate, may be adjusted to recognize length of service as a director) for all active non-employee directors be distributed in the form of Company Common Stock to be purchased on the open market; and

BE IT RESOLVED FURTHER that vesting of the aforementioned benefit will be accelerated for any active non-employee director who might not otherwise meet the five-years of service eligibility requirement as set forth under the Director Retirement Plan; and

BE IT RESOLVED FURTHER that The Bank of New York, a New York trust company with its principal office located at 48 Wall Street, New York, New York, be, and it hereby is, selected as trustee to purchase shares of Company Common Stock on the open market in connection with the termination of the Director Retirement Plan; and

BE IT RESOLVED FURTHER that the trust agreement between the Company and The Bank of New York in the form or substantially the form presented to the Board, be, and it hereby is, approved, and the appropriate Officers of the Company, including the Corporate Secretary, be, and they hereby are, authorized and empowered to execute such trust agreement with such changes therein as the Officer executing the same may approve, approval of any such changes to be conclusively evidenced by his execution thereof; and

BE IT RESOLVED FURTHER that the appropriate Officers of the Company be, and they hereby severally are, authorized and empowered in the Company's name and behalf to prepare, execute and file with the Securities and Exchange Commission, an appropriate Registration Statement for Common Stock to be purchased on the open market pursuant to the termination of the Director Retirement Plan, under the Securities Act of 1933, as amended, and applicable rules and regulations promulgated thereunder, together with any and all such amendments or supplements to such Registration Statement, and any and all such exhibits and other documents pertaining thereto, as in the judgment of such Officers may appear necessary or desirable; and

BE IT RESOLVED FURTHER that the Company hereby appoints Paul A. Redmond, J. E. Eliassen, R. R. Peterson and J. A. Terrell and each of them severally as the true and lawful attorney or attorneys of the Company with full power to act with or without the others and with full power of substitution or resubstitution to sign such Registration Statement and any amendment or amendments thereto for and on behalf of the Company; that each director of the Company and each Officer thereof who may be required to sign said Registration Statement and any amendments thereto, is hereby authorized to appoint said Paul A. Redmond, J.

E. Eliassen, R. R. Peterson and J. A. Terrell and each of them severally as the true and lawful attorneys of each such director and Officer of the Company with full power to act, with or without the others, and with full power of substitution and resubstitution, to sign such Registration Statement and any amendment or amendments thereto, for or on behalf of each such director and/or Officer in his/her capacity or capacities as such; and that the Chairman of the Board and Chief Executive Officer, the President, or any Vice President of the Company, acting in the name and behalf of the Company, and each such Director of the Company and each Officer thereof who may be required to sign such Registration Statement and any amendment or amendments thereto is hereby authorized and empowered to execute an appropriate power of attorney to evidence such appointments as aforesaid; and

BE IT RESOLVED FURTHER that the appropriate Officers of the Company, including the Corporate Secretary, be, and they hereby severally are, authorized and empowered in the Company's name and behalf to execute, file and deliver such further documents, to pay all such expenses and to do all such other and further acts and things as in the judgment of the Officer or Officers taking such action may be necessary or desirable to carry out the intent of the foregoing resolutions.

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in this Registration Statement of The Washington Water Power Company on Form S-8 of our report dated January 26, 1996 (March 1, 1996 as to Note 15), appearing in the Annual Report on Form 10-K of The Washington Water Power Company for the year ended December 31, 1995, and to the reference to us under the heading "Interests of Named Experts and Counsel," which is part of this Registration Statement.

/s/ Deloitte & Touche LLP

DELOITTE & TOUCHE LLP

Seattle, Washington
February 26, 1997