

**AVISTA UTILITIES
RESPONSE TO REQUEST FOR INFORMATION**

JURISDICTION: Washington
DOCKET NO: UE-991606
 UG-991607
REQUESTER: WUTC
TYPE: Data Request
DUE DATE: 3/15/00
REQUEST NO.: 256

DATE PREPARED: 3/13/00
WITNESS: Tom Matthews
 Don Falkner
RESPONDER: Don Falkner
DEPT: Rates
TELEPHONE: (509) 495-4326

REQUEST:

Please provide copies of all payments to Horne/Brown in 1998 (see voucher 380173).
Provide a list of all 1998 charges relating to the selection of a chief executive officer.

RESPONSE:

Please see the attached invoices to Horne/Brown and other a listing of 1998 charges relating to the selection of the Company's chief executive officer. Also attached is copy of the attachment to the Company's response to Staff Request 250. Components of 1998 payments to Board members were associated with the CEO selection process.

WUTC		
DOCKET NO. <u>UE-991606</u>		
EXHIBIT # <u>252</u>		
ADMIT	W/D	REJECT
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**HORNE/BROWN,
INTERNATIONAL**
executive search/management consultants

COPY

U.S. Bank Plaza, Suite 1200 Boise, Idaho 83702

Telephone: (208) 344-9004 Fax: (208) 344-0681

To: Washington Water Power
1411 East Mission Avenue
Spokane, Washington 99202

Date: February 17, 1998
Num: 1964

Attention: Ms. JoAnn Matthiesen
Vice President - Human Resources

For Services Rendered

Expenses for the Chief Executive Officer / Chairman search per our agreement letter dated August 22, 1997.

Interview Travel Expenses - Gene Horne

December 12, 1997 - Denver Candidate

Airfare 262.77
Car Rental 68.97

December 30, 1997 - to Sun Valley - Seattle Candidate #1

Airfare 703.50
Car Rental 82.75

January 7, 1998 - Denver Candidate

Airfare 523.00
Food/Lodging 164.82
Car Rental 84.83

January 20, 1998 - to Portland - Houston Candidate

Airfare 428.00
Food/Lodging 31.00
Car Rental 61.38

January 23, 1998 - to San Francisco - Seattle Candidate #2

Airfare 583.00
Meeting Services 105.00

January 30, 1998 - Detroit Candidate

Airfare 1,602.00
Food/Lodging 197.14

To: **Washington Water Power**
 1411 East Mission Avenue
 Spokane, Washington 99202

Date: February 17, 1998
 Num: 1975

Expenses for the Chief Executive Officer / Chairman search - continued.

Travel Expenses - Candidates

Seattle Candidate #1 - Airfare (1/2/98 to Spokane)	273.00
Seattle Candidate #2 - Airfare (1/23/98 to San Francisco)	313.00
Airfare (1/29/98 to Spokane)	195.00
Houston Candidate - Airfare (1/31/98 - Houston to SLC)	842.00
Detroit Candidate - Airfare (2/6-7/98 - Detroit to Denver, Palm Springs to Detroit)	2,142.00
Lodging (2/6/98 in Sun Valley)	211.46

Office Expenses

Telephone	410.46
Postage	429.32
Printing	165.94

TOTAL \$ 9,880.34

Terms: Net due upon receipt of invoice.

PO# _____ Date 2/26/98
 Prepared for Payment Nancy L. Watkins
 Approved for Payment* Nancy L. Watkins
 Description CEO Search

Work Order	Account		RC	Loc.	Amount
	Main	Sub			
3682	7921	10	E01	099	9,880.34

*Invoices over \$250,000 may require additional approval.

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executive search/management consultants

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U.S. Bank Plaza, Suite 1200 Boise, Idaho 83702

Telephone: (208) 344-9004 Fax: (208) 344-0681

To: Washington Water Power
1411 East Mission Avenue
Spokane, Washington 99202

Date: April 8, 1998

Num: 1989

Attention: Ms. JoAnn Matthiesen
Vice President - Human Resources

For Services Rendered

Expenses for the Chief Executive Officer / Chairman search per our agreement letter dated August 22, 1997.

Interview Travel Expenses - Gene Horne

February 18-19, 1998 - Philadelphia & Phoenix Candidates	
Airfare	2,698.00
Food/Lodging	340.06
February 24, 1988 - to Denver - _____ Candidate	
Airfare	1,073.00
Auto Expense	23.95
February 26, 1998 - Tucson Candidate	
Airfare	557.00
Food/Lodging	219.48
Auto Expense	63.86
Meeting Services	112.50
March 8, 1998 - to Orlando - Seattle Candidate #3	
Airfare	648.67
Food/Lodging	161.74
Auto Expense	248.92
Meeting Services	52.50
March 25 - to Sun Valley - Denver Candidate	
Food/Lodging	510.33
Auto Expense	411.29

PO# _____ Date 4/13/98
 Prepared for Payment Nancy L. Watkins
 Approved for Payment* John Mattiesen
 Description _____

To: **Washington Water Power**
 1411 East Mission Avenue
 Spokane, Washington 99202

Work Order	Account		RC	Loc.	Amount
	Main	Sub			
3682	7921	10	E01	099	23,649.38

*Invoices over \$250,000 may require additional approval. WWP2293 (Rev. 10-96)

Expenses for the Chief Executive Officer / Chairman search - continued.

Travel Expenses - Candidates

Philadelphia Candidate

March 3-4, 1998 - to Spokane, Seattle & Palm Springs
 Airfare 3,049.00
 Food/Lodging 367.69
 Auto Expense 95.00
 March 10-11, 1998 - to Hilton Head, Seattle & Lewiston
 Airfare 3,227.55
 Food/Lodging 200.00
 Auto Expense 113.00
 April 6-7, 1998 - to Coeur d'Alene
 Airfare 2,000.00

Tucson Candidate

March 11, 1998 - to Spokane & Seattle
 Airfare 2,299.00

Houston Candidate

March 6, 1998 - to Atlanta
 Airfare 1,190.00
 April 6-7, 1998 - to Coeur d'Alene
 Airfare 2,218.00

Seattle Candidate #3

March 18, 1998 - to Spokane
 Airfare 451.00
 April 6-7, 1998 - to Coeur d'Alene
 Airfare 456.00

Office Expenses

Telephone 236.69
 Postage 624.25
 Printing 45.90

TOTAL \$ 23,649.38

Terms: Net due upon receipt of invoice.

COPY

**HORNE/BROWN,
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executive search/management consultants

U.S. Bank Plaza, Suite 1200 Boise, Idaho 83702

Telephone: (208) 344-9004 Fax: (208) 344-0681

To: **Washington Water Power**
1411 East Mission Avenue
Spokane, Washington 99202

Date: May 13, 1998
Num: 2000

Attention: **Ms. JoAnn Matthiesen**
Vice President - Human Resources

For Services Rendered

Expenses for the Chief Executive Officer / Chairman search per our agreement letter dated August 22, 1997.

Travel Expenses - Gene Horne

April 15, 1998 - to Houston	
Airfare	1,242.75
Food/Lodging	198.90
April 25, 1998 - to Spokane	
Food/Lodging	398.47
April 25, 1998 - to Houston	
Food/Lodging	293.98
Auto Expense	130.48

Travel Expenses - Candidates

Tucson Candidate	
March 11, 1998 - to Spokane & Seattle	
Food/Lodging	227.70
Seattle Candidate #3	
March 18, 1998 - to Spokane	
Auto Expense	24.00
April 7, 1998 - to Spokane	
Food/Lodging	55.81
Auto Expense	24.00
Houston Candidate (& spouse)	
May 2, 1998 - to Salt Lake City	
Airfare	1,659.00
Food/Lodging	262.89

Office Expenses

Telephone	369.92
Postage	380.75
Printing	3.31

Tax Identification Number: 82-0375738

PO#	Date	5/18/98	Prepared for Payment Nancy L. Watkins	Approved for Payment* JoAnn Matthiesen	Description Gene Horne Travel Expenses	Account		RC	Loc.	Amount
						Main	Sub			
						7921	10	E01	099	5,271.96
						3682				

TOTAL \$ 5,271.96

REQUEST FOR VOUCHER
The Washington Water Power Company

COPY

PLEASE ISSUE VOUCHER TO: Home/Brown, International

June 2, /19 98

NAME Home/Brown, International

ADDRESS US Bank Plaza, Suite 1200

CITY Boise

STATE ID

ZIP 83702

AMOUNT Thirty three thousand three hundred thirty three and 34/100

DOLLARS \$ 33,333.34

FOR Final Payment for selection of new CEO of Washington Water Power

CHARGE	WORK ORDER	ACCOUNT		RC	LOC	AMOUNT	
		MAIN	SUB				
	3682	7923	00	E01	99	\$33,333	

Call Nancy Watkins @4346 when ready!

MAIL PAYMENT DUE BY ASAP

WIRE

CORRESPONDENCE INCLUDED

SIGNED

John Mathiesen

APPROVED

DISTRIBUTION O.K. _____ VERIFIED _____



Washington Water Power
 P.O. Box 3727, Spokane, WA 99220-3727
 509 489-0500

Disbursement Check **716877** ⁶⁶⁻¹⁵⁶₅₃₁

Seafirst Bank, Disbursement Account
 First Union National Bank, Chapel Hill, NC

Pay **THIRTY THREE THOUSAND THREE HUNDRED ** 06/05/98**
THIRTY THREE AND 34/100 DOLLARS *****

Pay This Amount
\$ ***33,333.34**

To **HORNE/BROWN INTERNATIONAL**
 The **U S BANK PLAZA**
 Order **SUITE 1200**
 Of **BOISE** ID **83702**

Anthony K. Murus
 ASSISTANT TREASURER

Second Signature Required for Amounts Over \$1,000,000.00

⑈716877⑈ ⑆053101561⑆ 2079900002739⑈

Invoice Number	Date	Voucher	Gross Amount	Discount	Net Amount
	060298	380173	FINAL PMT SELECTION 33,333.34		NEW CEO 33,333.34
Check Number	Date	Vendor Number	Vendor Name	Total Amount	
-S- 716877	060598	956716	HORNE/BROWN INTERNAT I	33,333.34	

REQUEST FOR VOUCHER
The Washington Water Power Company

COPY

PLEASE ISSUE VOUCHER TO: GENE HORNE

6/10 /19 98

NAME Home/Brown International

ADDRESS US Bank Plaza, Suite 1200

CITY Boise

STATE ID

ZIP 83702

AMOUNT Seventy five thousand and no/100

DOLLARS \$ 75,000.00

FOR BONUS FOR GENE HORNE FOR SELECTION OF NEW CEO

~~Per request from Dave Clack, head of the CEO selection committee!~~

CHARGE	WORK ORDER	ACCOUNT		RC	LOC	AMOUNT	
		MAIN	SUB				
	3682	7923	00	E01	99	\$75,000	.00

CALL NANCY @ 4346 WHEN READY

MAIL

PAYMENT DUE BY ASAP

WIRE

CORRESPONDENCE INCLUDED

SIGNED

John Mathiesen

APPROVED

DISTRIBUTION O.K. _____

VERIFIED _____



Washington Water Power

Washington Water Power
P.O. Box 3727 Spokane, WA 99220-3727
509 489-0500

Disbursement Check

705944

66-156
531

Seafirst Bank Disbursement Account
First Union National Bank Chapel Hill, NC

Pay

Date

6-11-98

Pay This Amount
\$ 75,000.00

To
The
Order
of

GENE HORNE
HORNE/BROWN INTERNATIONAL
US BANK PLAZA, SUITE 1200
BOISE, ID 83702

REGISTERED 75,000.00
RD-26779

Mary Mercer
Second Signature Required for Amounts Over \$1,000,000.00

⑈ 705944 ⑈ ⑆ 053101561 ⑆ 2079900002739 ⑈

Invoice Number	Date	Voucher	Gross Amount	Discount	Net Amount
GENE HORNE	6-11-98	382405			\$75,000.00
					shm
Check Number	Date	Vendor Number	Vendor Name	Total Amount	

HORNE/BROWN,
INTERNATIONAL
 executive search/management consultants

U.S. Bank Plaza, Suite 1200 Boise, Idaho 83702
 Telephone: (208) 344-9004 Fax: (208) 344-0681

To: Washington Water Power
 1411 East Mission Avenue
 Spokane, Washington 99202

Date: July 9, 1998
 Num: 2017

Attention: Ms. JoAnn Matthiesen
 Vice President - Human Resources

For Services Rendered

Expenses for the Chief Executive Officer / Chairman search per our agreement letter dated August 22, 1997.

Travel Expenses - Gene Horne

June 1, 1998 - to Houston

Airfare	1,655.00
Food/Lodging	453.17
Auto Expenses	150.00

Office Expenses

Telephone	445.86
Postage	67.25

PO# _____ Date 7/14/98
 Prepared for Payment Nancy L. Watkins
 Approved for Payment* Nancy L. Watkins
 Description CEO Search

TOTAL \$ 2,771.28

Work Order	Account		RC	Loc.	Amount
	Main	Sub			
3682	7923	020	E01	099	2,771.28

*Invoices over \$250,000 may require additional approval.

WWP2293 (Rev. 10-96)

Tax Identification Number: 82-0375738

**HORNE/BROWN,
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executive search/management consultants

U.S. Bank Plaza, Suite 1200 Boise, Idaho 83702
Telephone: (208) 344-9004 Fax: (208) 344-0681

To: Washington Water Power
1411 East Mission Avenue
Spokane, Washington 99202

Date: August 11, 1998
Num: 2030

Attention: Ms. JoAnn Matthiesen
Vice President - Human Resources

*8/14/98
OK
J. Matthiesen*

For Services Rendered

Final expenses for the Chief Executive Officer / Chairman search per our agreement letter dated August 22, 1997.

Travel Expenses - Tom Matthews

June 1, 1998 - Spokane
Food/Lodging

771.93

Office Expenses

Telephone

5.42

PO# _____ Date 8/17/98
Prepared for Payment Nancy Watkins
Approved for Payment* Nancy L. Watkins
Description _____

Work Order	Account		RC	Loc.	Amount
	Main	Sub			
3682	7923	10	E01	099	777.35

TOTAL \$ 777.35

*Invoices over \$250,000 may require additional approval.

WWP2293 (Rev. 10-96)

Expenses for CEO Search		
Kershaws - Three ring binders for the Corporate Briefing Books	01-21-98	205.12
Gene Horne - Interview Travel Expenses for Gene and Candidates	02-17-98	9,880.34
Misc. Expenses for T. Syms	02-28-98	100.00
Company Plane for CEO Search - February	02-28-98	22,161.18
Room for Larry Stanley in Sun Valley - Succession Planning Meeting	04-16-98	151.51
Gene Horne-Interview Travel Expenses	04-18-98	23,649.38
John Taylor - Director Expenses (April 6/7)	04-27-98	128.60
Bobby Schmidt - Director Expenses (April 6/7)	04-27-98	2,210.00
Sally Jewell - Director Expenses (April 6/7)	04-27-98	180.68
Company Plane for CEO Search - April	04-30-98	36,188.28
Towers Perrin/Carolyn Harper - Executive Compensation Issues	04-30-98	14,122.00
Gene Horne-Travel Expenses for Gene and Candidates	05-13-98	5,271.96
Bobby Schmidt - Airfare to Atlanta (interview)	05-20-98	1,197.00
CDA Resort - Board Meeting Expenses April 6/7	05-26-98	2,781.39
Gene Meyer - Director Expenses (April 6/7 and Atlanta interview)	05-28-98	2,438.50
Company Plane for CEO Search - May	05-29-98	29,310.84
Paine Hamblen/David Meyer - Executive Compensation Issues	05-29-98	1,100.00
Gene Horne's Final payment and Bonus	06-03-98	108,333.34
Perkins Coie - Legal fees concerning CEO Selection	06-12-98	7,612.94
Dave Clack's Expenses regarding the CEO selection	06-24-98	889.15
Credit Received from Kershaws for unused Binders (Briefing Books)	06-29-98	-145.85
Misc Expenses	06-29-98	28.04
Northwest Gourmet - Welcome Basket for Tom Matthews (Pro-Card)	06-29-98	108.10
BeauK - Flowers for Tom Matthews (Pro-Card)	06-29-98	42.70
Misc. Expenses	06-29-98	31.95
Company Store - Items for Tom Matthews	06-29-98	73.69
Towers Perrin - Compensation Issues	06-30-98	1,400.00
Shareholder Letter announcing new CEO - printing, paper, etc. (estimate)	06-30-98	14,700.00
ADP - Charges for mailing out shareholder letter	06-30-98	13,266.11
Gene Horne - Travel Expense	07-09-98	2,771.28
Perkins Coie - Compensation Issues	07-13-98	5,494.66
Gene Horne - CEO/Chairman Search Expenses	07-14-98	2,771.28
Dean Witter - Charges for mailing out shareholder letter	07-20-98	1,234.27
Gene Horne - Additional search expenses	08-17-98	777.35
Cavanaugh's Inn at the Park - Thank you reception for CEO Transition Team	08-20-98	817.68
Perkins Coie - More Compensation Issues	08-17-98	2,512.13
Dave Clack - Misc. CEO Transition Phone Calls	09-08-98	324.29
Perkins Coie - More Compensation Issues	09-11-98	1,620.93
Perkins Coie - More Compensation Issues	11-19-98	2,403.50
Sub Total		318,144.32

Compensation Paid to Directors in 1998 (1)

Director Name	Annual Retainer (2)	Board/Committee Meeting Fees	Per Diem Travel Fee	Chair Retainer	CEO Selection Fees	CEO Selection Per Diem Travel Fee	Total Compensation
David A. Clack	\$30,000.00	\$21,600.00	\$0.00	\$4,000.00	\$14,400.00	\$0.00	\$70,000.00
Duane B. Hagadone	\$12,500.00	\$2,400.00	\$2,400.00	\$0.00	\$18,400.00	\$2,400.00	\$38,100.00
Sarah M.R. (Sally) Jewell	\$30,000.00	\$12,000.00	\$8,400.00	\$0.00	\$3,600.00	\$2,400.00	\$56,400.00
John F. Kelly	\$30,000.00	\$9,600.00	\$7,200.00	\$0.00	\$14,400.00	\$2,400.00	\$63,600.00
Eugene W. Meyer	\$30,000.00	\$15,600.00	\$12,000.00	\$4,666.67	\$6,000.00	\$2,400.00	\$70,666.67
Bobby Schmidt	\$30,000.00	\$13,200.00	\$9,600.00	\$0.00	\$6,000.00	\$2,400.00	\$61,200.00
Larry A. Stanley	\$30,000.00	\$21,600.00	\$0.00	\$4,000.00	\$8,400.00	\$0.00	\$64,000.00
R. John Taylor (3)	\$30,000.00	\$16,800.00	\$9,600.00	\$4,000.00	\$4,800.00	\$2,400.00	\$67,600.00
Daniel J. Zaloudek	\$5,000.00	\$1,200.00	\$2,400.00	\$0.00	\$0.00	\$0.00	\$8,600.00
Totals	\$227,500.00	\$114,000.00	\$51,600.00	\$16,666.67	\$76,000.00	\$14,400.00	\$500,166.67

(1) None of the compensation paid in 1998 was charged to Avista Capital, Inc.

(2) A minimum of two-thirds of the annual retainer is paid in Company Common Stock in accordance with the Non-Employee Director Stock Plan. Directors have the option to take more than 2/3.

(3) Mr. Taylor deferred receipt of the stock portion of his retainer (\$20,000) in accordance with the Non-Employee Director Stock Plan.

All amounts were charged to 2502.7930.27-Y01.099 except the CEO Selection Fees/Travel, which were charged to 2869.7921.10-E01.099.