WUTC
DOCKET NO. UE-991606
EXHIBIT # 380
ADMIT ☑ W/D ☐ REJECT ☐

AVISTA UTILITIES
RESPONSE TO REQUEST FOR INFORMATION

JURISDICTION:	Washington	DATE PREPARED:	3/1/00
CASE NO:	UE-991606		
	UG-991607	WITNESS:	Tom Matthews
			Kathy Mitchell
REQUESTER:	Staff	RESPONDER:	Kathy Mitchell
TYPE:	Data Request	DEPT:	Rates
DUE DATE:	2/21/00	TELEPHONE:	(509) 495-4407
REQUEST NO.:	171	FIELD AUDIT:	___ Yes _X_ No

REQUEST:
Please provide all officer's employee number, names, job titles, detailed job descriptions, responsibilities, base salary, and other compensation, by year, since the test period in the last general rate case in 1988.

RESPONSE:
The total officer compensation expense charged to Washington Electric and Gas was $1,228,138 and $307,241, respectively, per the 1998 Pro Forma All Compensation Expensed in Table 19 in Attachment E. These amounts, accordingly, are the amounts included in the Company's test period. They represent 33% and 8% of total officer compensation expense.

Please refer to Attachment A, which is attached to Confidential response No. 171(C), showing salary histories by officer; employee number, abbreviated job title and base salary back to 1988 for all officers during that time period. The column named "Salary" in the "old" Human Resource system represents monthly salaries, while the "new" system has an "Annual Pay" column. (Attachment A is marked as CONFIDENTIAL per Protective Order in WUTC Docket UE-991606 & UG-991607.)

Attachment B shows Responsibility Code (RC) tables for 1/1/98, 1/1/99 and the current period. The RC structure tables are meaningful as they provide details regarding an officer's responsibilities/job description. Please note that the Chief Executive Officer (CEO) has the ultimate responsibility for all of these work areas.

Attachment C summarizes officers by name and full job title as of year-end for all twelve years. Attachment D provides excerpts from the Company's Proxy Statements for 1988 through 1998 that deal with officer compensation information (both base compensation and other compensation.)

Attachment E, which is attached to Confidential response No. 171(C), also details total compensation charged to regulated and non-regulated activities and compensation charged to the Washington Electric and Gas jurisdictions for 1997 through 1999 by compensation component. Table 10 on page 1 of Attachment E reflects officer compensation expense for 1999 for the Washington Electric and Gas jurisdictions and subsidiary operations. Table 5 on page 2 reflects total compensation expense for 1999. Table 19 on page 3 reflects Pro Forma All Compensation included in the 1998 test period for the Washington Electric and Gas jurisdictions and subsidiary operations. The table on Page 6 shows officer compensation for the Washington Electric and Gas jurisdictions and subsidiary operations for 1997. (Please note that Attachment E is marked as CONFIDENTIAL per Protective Order in WUTC Docket UE-991606 & UG-991607.)

ATTACHMENT B
WUTC Request No.171

Responsibility Codes - Structure 01 (eff. Jan. 2000)

Summ.	Summ.	Summ.	Summ.	Summ.	RC	Name	Person Responsible
AAA						Total Company	T. Matthews
	CEXO					Chairman & CEO	T. Matthews
		EXEC				Executive Department Summary	T. Matthews
					CB3	Chargeback - Executive	S. Reid
					D01	Chairman & CEO	T. Matthews
					E01	Executive Administration	D. Kaufman
					G01	Officer Support Team	D. Kaufman
					G10	Credit Union	R. Fallquist
					Y01	Corporate Secretary/Shareholder Relations	T. Syms
		VPDM				Sr. VP & General Counsel	D. Meyer
			COUN			Corporate Counsel	D. Meyer
					N54	Contracts	C. Thomas
					S01	Sr. VP & General Counsel	D. Meyer
			TRAN			Transmission Operations	R. Cloward
					A56	Director of Transmission Operations	R. Cloward
					B56	Retail Customer Wheeling Expense & Other	R. Cloward
					D09	SCADA	R. Cloward
		VPJE				Sr. VP&CFO - Finance & Other Corporate Serv.	J. Eliassen
			CODE			Corporate Development	R. Woodworth
					F14	External Projects	K. Pearman-Gillman
					M54	Corporate Development	R. Woodworth
			INFO			Information Services	J. Kensok
					A09	Telecommunications	J. Corder
					N09	Data Network	J. Corder
					P09	Comp. Infrastructure Support	J. Corder
					W09	Application Support	J. Kensok
			SUPP			Corporate Support	J. Eliassen
					CB4	Chargeback - Finance	S. Reid
					J01	SR VP & CFO	J. Eliassen
					J54	Internal Auditing	Vacant
					R54	Risk Management	A. Roark
					S54	Director of Investor Relations	D. Brukardt
					V54	Strategic R&D	K. Zentz
			0054			Finance Department	Strategy Council
				VPCB		VP & Controller	C. B-Smith
					C54	Tax Services	R. Hanson
					D54	Corporate Accounting	M. Buergel
					K54	Financial Systems	T. Judge
					T54	Subsidiary Accounting	A. Munson
					Z54	Reporting & Forecasting	K. Nichols
				VPRP		VP & Treasurer	R. Peterson
					E54	Accounts Payable	L. Brittain
					F54	Treasury & Trust Management Services	D. Thoren
					G54	Finance Administration	J. Maser
					P54	Credit	R. Grossmann
		VPJM				VP Human Resources	J. Matthiesen
					CB5	Chargeback - Corporate Support	S. Reid
					E09	Food Services	K. Davis
					F09	General Services	K. Davis
					H07	Building & Grounds	S. Nelson
					L54	Travel & Flight Operations	B. Scott
					M09	Document Services	K. Davis
					R01	VP Human Resources	J. Matthiesen
			0002			Human Resources	J. Matthiesen
					A02	Human Resources	G. Sisson
					B02	Benefits	D. McIntyre
					D02	Safety & Health	K. Rust
					E02	Corporate Organizational Development	D. Quincy
					M02	Internal Communication and Diversity	B. Fallis
					X02	Business Partners	G. Sisson
		VPRF				VP External Affairs	R. Fukai
			GOVT			Government Relations & Others	T. Paine
					A01	Native American Relations	T. Pessemier
					B16	Government Relations	T. Paine
					CB6	Chargeback - External Relations	S. Reid
					E14	Environmental Compliance	D. Pottratz
					K14	Public Involvement	B. Mansfield
					M01	VP External Affairs	R. Fukai

Responsibility Codes - Structure 01 (eff. Jan. 2000)

Summ.	Summ.	Summ.	Summ.	Summ.	RC	Name	Person Responsible
			RATE			Rates & Tariffs	T. Dukich
					R11	Rates & Tariffs	T. Dukich
			0H14			Corporate Communications	A. Axworthy
					H14	Corporate Communications	A. Axworthy
	PRES					President & COO	Vacant
					V01	President & COO	Vacant
		VPGE				Executive Vice President	G. Ely
					J11	Special Projects	J. Jewell
					X01	Executive Vice President	G. Ely
		VPET				VP Energy Delivery	E. Turner
					N01	Generation & Resources	R. Horobiowski
			CNST			Operations	A. Fisher
					A50	Director of Operations	A. Fisher
					F51	IS/IT Coordinator	B. Abrahamse
					P51	Central & Service Dispatch	P. Shea
				E053		East Rollup	P. Sprute
					H53	AC Kellogg/St Maries	P. Sprute
					J53	AC Sandpoint/Bonners Ferry	W. Menghini
					L53	AC Coeur d'Alene Electric/Gas	R. Chandler
				MNTC		Maintenance	S. Hadley
					D51	Forestry	P. Luders
					M51	Test & Treat	P. Luders
					N51	Construction Contracting	P. Luders
					R51	Joint Use Projects	P. Luders
				S053		South Rollup	Olson/Thom
					B53	AC Pullman Electric & Gas	T. Olson
					D53	AC Clarkston Electric & Gas	G. Logsdon
				SPOW		Spokane & West	G. Gfeller
					B50	AC Spokane Electric	R. Garcia
					C50	AC Spokane Gas & Electric Support	S. Plewman
					G50	AC Colville	M. Fredricks
					H50	AC Othello	B. Rew
					K50	AC Spokane Gas Service	B. Porter
					L50	AC Spokane Gas Construction	B. Porter
					P50	AC Davenport	R. Garcia
					R50	Spokane Construction Engineering/Mapping	J. McClain
					S50	Construction Services	S. Plewman
			COCR			Communications & Community Relations	L. LaBolle
					A51	Director-Communications & Community Relations	L. LaBolle
					C52	Economic Development	L. LaBolle
					C53	AM Pullman/Moscow	M. Thomason
					F53	AM Lewiston/Clarkston	T. Kolb
					G53	AM Coeur d'Alene	P. Anderson
					J50	AM - Spokane & West	J. Cole
					N05	Business Strategist	P. Kerwien
			CUST			Customer Service & Meter Reading	V. Weber
				C051		Customer Service Summary	V. Weber
					E50	AC Spokane Support (Credit)	N. Holmes
					E53	AC Lewiston (Call Center)	K. Kelley
					F50	Spokane Customer Service	M. Inman
					K53	AC Coeur d'Alene (Call Center)	K. Kelley
					N50	Director of Customer Service	V. Weber
				MTRR		Meter Reading Summary	J. Foss
					D50	AC Meter Reading/Billing	J. Foss
					M50	Coeur D'Alene Meter Reading	J. Foss
			EDEL			Energy Delivery	M. Myers
					A57	Controller-Energy Delivery	M. Myers
					H54	Remittance Services	M. Myers
					L09	Information Services	J. Emerson
					L51	Claims	M. Myers
					R55	Resource Accounting	M. Myers
			EDSU			Energy Delivery Support	E. Turner
					CB1	Chargeback - Energy Delivery	S. Reid
					F02	Director of Human Resources	D. Suttner
					G02	Safety & Training	T. Hennes
					T01	VP Energy Delivery	E. Turner
			GETS			Gas & Electric Technical Support	D. Martin
					A08	Relay & Protection Design	D. Howey

Responsibility Codes - Structure 01 (eff. Jan. 2000)

Summ.	Summ.	Summ.	Summ.	Summ.	RC	Name	Person Responsible
					B09	Telecommunications Shop	B. Schlangen
					B51	Chief Gas Engineer	M. Faulkenberry
					C08	Technical Services - GIS	C. Kirkeby
					C51	AC Operations Specialist (Electric)	R. Taylor
					D08	Director of Gas/Electric Technical Services	D. Martin
					I08	Data Management	J. Harmes
					L08	Transmission Design	G. Casey
					M08	Substation Design	M. Nissley
					N08	Drafting & Survey	J. Ward
					T08	Chief Electrical Engineer	R. Little
					V08	Real Estate	D. Malisani
					Z08	Electric Meter Shop	K. Dean
			MKTG			Marketing & Sales	T. Orr
					A52	Director of Marketing & Sales	T. Orr
					B52	Energy Services	R. Curtis
					D52	Product Marketing	D. Heyamoto
					E51	Market Research	A. Sunday
					F52	Sales	D. Miller
			SUCH			Supply Chain Management	R. Stevens
					H51	Director of Supply Chain Management	R. Stevens
					J51	Investment Recovery	R. Stevens
					K51	Fleet Management	R. Stevens
			WPNG			WPNG	S. Morris
					A80	Director of WPNG	S. Morris
					A81	AC Medford Construction	J. Schwendener
					A82	AC Roseburg	A. Haskett
					A83	AC Klamath Falls	K. Ransom
					A84	AC South Lake Tahoe	A. Slaback
					B81	AC Medford Customer Service	C. Milani
					C81	AC Medford Technical Services	J. Morehouse
					C83	AC LaGrande	T. Hennes
			0004			Hydro Licensing & Safety	B. Anderson
					A04	Hydro Licensing & Safety Administration	B. Anderson
					B04	Clark Fork Licensing	T. Swant
					C04	Spokane River Licensing	S. Mack
					G14	Environmental Management	B. Riesenberg
					H04	Hydro Compliance	S. Fry
					N07	G&P Environmental Compliance	J. Parmentier
			0007			Production & Generation	J. Parmentier
					A07	Production & Generation	J. Parmentier
					C07	Hydro Spokane River	D. Eastwood
					CB2	Chargeback - Generation & Resources	S. Reid
					E07	Generation Engineers	S. Wenke
					F08	Substation Support	K. Dean
					K07	Kettle Falls	D. Hull
					L07	Hydro Clark Fork River	R. Wathen
					M07	Generation Shop	S. Harding
					P07	Contract Construction	T. Barker
					T07	Turbine Maintenance	T. Carlberg
					X08	Substation - Relay Shop	K. Dean
			0055			Resource Optimization	R. Horobiowski
					B55	Resource Optimization	R. Horobiowski
					C55	Gas Resource Costs	B. Gruber
					G55	System Power Purchases	B. Lafferty
					H55	Fuels Management	B. Lafferty
					N06	Joint Proj-Colstrip	B. Lafferty
					V06	Joint Proj-Centralia	B. Lafferty

Responsibility Codes - Current Structure 1 (Effective January 1999)

Summ.	Summ.	Summ.	Summ.	Summ.	RC	Name	Person Responsible
AAA						Total Company	T. Matthews
	CEXO					Chairman & CEO	T. Matthews
		COUN				Corporate Counsel	D. Meyer
		MISC				Executive Department Summary	T. Matthews
					CB3	Chargeback	T. Matthews
					D01	Chairman & CEO	T. Matthews
					E01	Executive Administrative	D. Kaufman
					G01	Officer Support Team	D. Kaufman
					G10	Credit Union	R. Fallquist
					Y01	Corporate Secretary/Shareholder Services	T. Syms
			VPDM			General Counsel	D. Meyer
					N54	Contracts	C. Thomas
					S01	Sr. VP and General Counsel	D. Meyer
		VPJE				Finance & Other Corporate Services	J. Eliassen
					CB4	Chargeback	J. Eliassen
					J01	SVP & CFO	J. Eliassen
					J54	Internal Auditing	M. Cameron
					R54	Risk Management	A. Roark
					T03	Avista Labs	K. Zentz
					V54	Strategic R&D	K. Zentz
			CODE			Corporate Development	R. Woodworth
					F14	External Projects	K. Pearman-Gillman
					M54	Corporate Development	R. Woodworth
			0009			Information Services	J. Kensok
				COMM		Telecommunications	J. Kensok
					A09	Telecommunications	J. Corder
				INFO		Information Services	J. Kensok
					N09	Data Network	J. Kensok
					P09	Computing Infrastructure Support	J. Kensok
					W09	Application Support	J. Kensok
			0054			Finance Department	Strategy Council
					C54	Reporting Services	Team Coordinator
					D54	Corporate Accounting Services	Team Coordinator
					E54	Accounts Payable & Payroll Services	Team Coordinator
					F54	Treasury & Trust Management Services	Team Coordinator
					G54	Strategy Council	Team Coordinator
					K54	Financial Systems	Team Coordinator
					S54	Director of Investor Relations	Vacant
		VPJM				Human Resources	J. Matthiesen
					CB5	Chargeback	J. Matthiesen
					E09	Food Services	K. Davis
					F09	General Services	K. Davis
					H07	Building & Grounds	S. Nelson
					L54	Travel & Flight Operations	B. Scott
					M09	Document Services	K. Davis
					R01	VP Human Resources	J. Matthiesen
			0002			Human Resources	J. Matthiesen
					A02	Human Resources	G. Sisson
					B02	Benefits	D. McIntyre
					D02	Safety & Health	B. Huber
					E02	Corporate Organizational Development	D. Quincy
					M02	Internal Communication and Diversity	B. Fallis
					X02	Business Partners	G. Sisson
		VPRF				External Affairs	R. Fukai
					A01	Native American Relations	T. Pessemier
					B16	Government Relations	T. Paine
					CB6	Chargeback	R. Fukai
					E14	Environmental Compliance	D. Pottratz
					H14	Corporate Communications	A. Axworthy
					K14	Public Involvement	B. Mansfield
					M01	VP External Affairs	R. Fukai
					R11	Rates & Tariffs	T. Dukich
	PRES					President & COO	Vacant
					V01	President & COO	Vacant
		VPGE				Energy Trading & Marketing	G. Ely
					N01	Generation & Resources	D. Kopczynski
					X01	SVP & GM Energy Trading & Marketing	G. Ely
			WHSL			Wholesale Marketing Summary	G. Ely
			0004			Hydro Licensing & Safety	B. Anderson
					B04	Clark Fork Licensing	T. Swant
					C04	Spokane River Licensing	S. Mack

Responsibility Codes - Current Structure 1 (Effective January 1999)

Summ.	Summ.	Summ.	Summ.	Summ.	RC	Name	Person Responsible
					H04	Hydro Compliance	S. Fry
			0007			Production & Generation	J. Parmentier
					A07	Production & Generation	J. Parmentier
					C07	Hydro Spokane River	D. Eastwood
					E07	Generation Engineers	S. Wenke
					K07	Kettle Falls	D. Hull
					L07	Hydro Clark Fork River	R. Wathen
					M07	Generation Shop	S. Harding
					P07	Contract Construction	T. Barker
					T07	Turbine Maintenance	T. Carlberg
			0055			Resource Optimization	D. Kopczynski
					B55	Resource Optimization	D. Kopczynski
					C55	Gas Resource Costs	P. Gorton
					G55	System Power Purchases	D. Kopczynski
					H55	Fuels Management	D. Spannagel
					N06	Joint Proj-Colstrip	D. Spannagel
					V06	Joint Proj-Centralia	D. Spannagel
		VPNR				Energy Delivery	E. Turner
					CB1	Chargeback	E. Turner
					F02	Director of Human Resources	D. Suttner
					N05	Business Strategist	P. Kerwien
					T01	VP Energy Delivery	E. Turner
			AMGR			Area Manager Summary	A. Fisher
			CNST			Operations	A. Fisher
					A50	Director of Operations	A. Fisher
					F51	IS/IT Coordinator	B. Abrahamse
					P51	Central & Service Dispatch	H. Wilkinson
				E053		East Rollup	G. Gfeller
					H53	AC Kellogg/St Maries	P. Sprute
					J53	AC Sandpoint/Bonners Ferry	W. Menghini
					L53	AC Coeur d'Alene Electric/Gas	R. Chandler
				MNTC		Maintenance	S. Hadley
					D51	Forestry	S. Hadley
					M51	Test & Treat	S. Hadley
					N51	Construction Contracting	S. Hadley
					R51	Joint Use Projects	S. Hadley
				S053		South Rollup	Olson/Thom
					B53	AC Pullman Electric & Gas	T. Olson
					D53	AC Clarkston Electric & Gas	G. Logsdon
				SPOW		Spokane & West	A. Fisher
					B50	AC Spokane Electric	S. Plewman
					C50	AC Spokane Gas & Electric Support	P. Shea
					G50	AC Colville	M. Fredericks
					H50	AC Othello	A. Dorval
					K50	AC Spokane Gas Service	B. Porter
					L50	AC Spokane Gas Construction	B. Porter
					P50	AC Davenport	A. Dorval
					R50	Spokane Construction Engineering/Mapping	J. McClain
					S50	Construction Services	P. Shea
			COCR			Communications & Community Relations	Vacant
					A51	Director-Communications & Community Relations	Vacant
					C53	AM Pullman/Moscow	M. Thomason
					F53	AM Lewiston/Clarkston	T. Kolb
					G53	AM Coeur d'Alene	P. Anderson
					J50	AM - Spokane & West	J. Cole
			CUST			Customer Service & Meter Reading	V. Weber
				C051		Customer Service Summary	V. Weber
					E50	AC Spokane Support (Credit)	N. Holmes
					E53	AC Lewiston (Call Center)	K. Kelley
					F50	Spokane Call Center	M. Inman
					K53	AC Coeur d'Alene (Call Center)	K. Kelley
					N50	Director of Customer Service	V. Weber
				MTRR		Meter Reading Summary	J. Foss
					D50	AC Meter Reading/Billing	J. Foss
					M50	Coeur D'Alene Meter Reading	J. Foss
			EDEL			Energy Delivery	Vacant
					A57	Controller-Energy Delivery	Vacant
					G14	Environmental Management	Vacant
					L09	Information Services	J. Emerson
					L51	Claims	Vacant
			GETS			Gas & Electric Technical Support	D. Martin
			0008			Gas & Electric Technical Support	D. Martin

Responsibility Codes - Current Structure 1 (Effective January 1999)

Summ.	Summ.	Summ.	Summ.	Summ.	RC	Name	Person Responsible
					A08	Relay & Protection Design	D. Howey
					B09	Communications Shop	B. Schlangen
					B51	Chief Gas Engineer	M. Faulkenberry
					C08	Operations & Design Support	C. Kirkeby
					C51	AC Operations Specialist (Electric)	R. Taylor
					D08	Director of Gas/Electric Technical Services	D. Martin
					F08	Substation Support	K. Dean
					L08	Transmission Design	G. Casey
					M08	Substation Design	M. Nissley
					N08	Drafting & Survey	J. Ward
					T08	Chief Electrical Engineer	R. Little
					V08	Real Estate	D. Malisani
					X08	Substation - Relay Shop	K. Dean
					Z08	Electric Meter Shop	K. Dean
			MKTG			Marketing & Sales	T. Orr
					A52	Director of Marketing & Sales	T. Orr
					B52	AC Energy Services	R. Curtis
					C52	Economic Development	D. Heyamoto
					D52	New Products and Services	D. Heyamoto
					E51	AC Research & Information	A. Sunday
					F52	Sales Team	D. Miller
			RCSW			RC Spokane & West	A. Fisher
			RCSE			RC South & East	A. Fisher
			SUCH			Supply Chain Management	R. Stevens
					H51	Director of Supply Chain Management	R. Stevens
					J51	Investment Recovery	R. Stevens
					K51	Fleet Management	R. Stevens
			0056			Transmission Operations	R. Cloward
					A56	Director of Transmission Operations	R. Cloward
					B56	Retail Customer Wheeling Expense & Other	R. Cloward
					D09	SCADA	R. Cloward
			WPNG			WPNG	S. Morris
					A80	Director of WPNG	S. Morris
					A81	AC Medford Construction	J. Schwendener
					A82	AC Roseburg	A. Haskett
					A83	AC Klamath Falls	K. Ransom
					A84	AC South Lake Tahoe	A. Slaback
					B81	AC Medford Customer Service	C. Milani
					C81	AC Medford Technical Services	J. Morehouse
					C83	AC LaGrande	T. Hennes

Responsibility Codes - Current Structure 1 (EFFECTIVE 1/1/98)

Summ.	Summ.	Summ.	Summ.	Summ.	RC	Name	Person Responsible
AAA	CEXO					Chairman & CEO	P. Redmond
		MISC				Executive Department Summary	P. Redmond
					C01	Chairman & CEO	P. Redmond
					Y01	Corporate Secretary/Shareholder Services	T. Syms
					E01	Executive Administrative	D. Kaufman
					G01	Officer Support Team	D. Kaufman
					G10	Credit Union	R. Fallquist
AAA	PRES				V01	President & COO	L. Bryan
					F03	WWP Fiber	Warren Miller
					H07	Building & Grounds	S. Nelson
		VPGE				Generation & Resources	G. Ely
					X01	Sr. VP & General Manager of Generation & Resources	G. Ely
					N01	Generation & Resources	Vacant
					R03	Avista Energy	L. Meyers
					S03	Avista Advantage	G. Crooks
			0007			Production & Generation	J. Parmentier
					A07	Production & Generation	J. Parmentier
					C07	Hydro Spokane River	D. Eastwood
					L07	Hydro Clark Fork River	B. Wathen
					M07	Generation Shop	S. Harding
					E07	Generation Engineers	S. Wenke
					P07	Contract Construction	T. Barker
					K07	Kettle Falls	J. Parmentier
					T07	Turbine Maintenance	J. Parmentier
			0055			Resource Optimization	D. Kopczynski
					B55	Resource Optimization	D. Kopczynski
					C55	Gas Resource Costs	P. Gorton
					G55	System Power Purchases	D. Kopczynski
					H55	Fuels Management	D. Spannagel
					V06	Joint Projects - Centralia	D. Spannagel
					N06	Joint Projects - Colstrip	D. Spannagel
					E06	Energy Trading	D. Kopczynski
					S07	Rathdrum Maintenance Reserve	D. Kopczynski
			0004			Hydro Licensing & Safety	B. Anderson
					B04	Relicensing	L. LaBolle
					C04	Natural Resources Planning	T. Swant/S. Mack
					H04	Hydro Compliance	S. Fry

Responsibility Codes - Current Structure 1 (EFFECTIVE 1/1/98)

Summ.	Summ.	Summ.	Summ.	Summ.	RC	Name	Person Responsible
		VPNR				Energy Delivery	L. Bryan
					A57	Chief Business Analyst	G. Deaver
					F51	IS/IT Coordinator	B. Abrahamse
					G51	Buyers & Procurement	K. Davis
					L51	Claims	G. Deaver
			CNST			Construction Summary	A. Fisher
					A50	RC Construction	A. Fisher
					K51	Fleet Management	T. Horobiowski
				SPOW		Spokane & West	A. Fisher
					B50	AC Spokane Electric	M. Richardson/B. Krogh
					K50	AC Spokane Gas Service	H. Wilkinson
					L50	AC Spokane Gas Construction	B. Porter
					C50	AC Spokane Electric & Gas Support	J. McClain
					G50	AC Colville	M. Fredricks
					H50	AC Othello	A. Dorval
					P50	AC Davenport	A. Dorval
				E053		East Rollup	G. Gfeller
					H53	AC Kellogg/St Maries	P. Sprute
					J53	AC Sandpoint/Bonners Ferry	W. Menghini
					L53	AC Coeur d'Alene Electric/Gas	Gfeller/Chandler
				S053		South Rollup	Olson/Thompson
					B53	AC Pullman Electric & Gas	Olson/Thompson
					D53	AC Clarkston (Electric & Gas)	G. Logsdon
				MNTC		Maintenance	S. Hadley
					D51	Forestry	S. Hadley
					H51	Materials Management	S. Hadley
					J51	Investment Recovery	S. Hadley
					M51	Test & Treat	S. Hadley
					N51	Construction Contracting	S. Hadley
					P51	Central & Service Dispatch	S. Hadley
			CUST			Customer Service & Sales	A. Axworthy
					A51	RC Customer Service/Sales	A. Axworthy
					E51	AC Research & Information	A. Sunday
					A52	AC Sales & Growth	D. Heyamoto
					B52	AC Energy Services	R. Curtis
					C52	Economic Development	D. Heyamoto
					D52	New Products and Services	D. Heyamoto

Responsibility Codes - Current Structure 1 (EFFECTIVE 1/1/98)

Summ.	Summ.	Summ.	Summ.	Summ.	RC	Name	Person Responsible
		VPNR		AMGR		Area Manager Summary	A. Axworthy
					J50	Area Manager - Spokane & West	J. Cole
					C53	Area Manager Pullman/Moscow	M. Thomason
					F53	Area Manager Lewiston/Clarkston	T. Kolb
					G53	Area Manager Coeur d'Alene	P. Anderson
			CUST	MTRR		Meter Reading Summary	J. Foss
					D50	AC Spokane Core Support (Meter Reading)	J. Foss
					M50	Coeur D'Alene Meter Reading	J. Foss
				C051		Customer Service Summary	A. Axworthy
					E50	AC Spokane Core Support (Billing)	N. Holmes
					F50	AC Spokane Core Support (Call Center)	V. Weber
					N50	Customer Service	A. Axworthy
					E53	AC Lewiston (Call Center)	P. Shea
					K53	AC Coeur d'Alene (Call Center)	P. Shea
			WPNG			WPNG	S. Morris
					A80	RC WPNG	S. Morris
					A81	AC Medford Construction	J. Schwendener
					A82	AC Roseburg	A. Haskett
					A83	AC Klamath Falls	K. Ransom
					A84	AC South Lake Tahoe	A. Slaback
					B81	AC Medford Customer Service	C. Milani
					C81	AC Medford Technical Services	D. Martin
					C83	AC LaGrande	T. Hennes
			0056			Transmission Operations	R. Cloward
					A56	Manager Transmission Operations	R. Cloward
					B56	Retail Customer Wheeling Expense & Other	R. Cloward
			0008			Gas & Electric Technical Support	K. Zentz
					D08	Manager of Gas & Electric Technical Support	K. Zentz
					A08	Relay & Protection Design	D. Howey
					M08	Substation Design	M. Nissley
					L08	Transmission Design	G. Casey
					N08	Drafting & Survey	J. Ward
					F08	Substation Support	K. Dean
					C08	Operations & Design Support	B. Fugelvand
					T08	Chief Electrical Engineer	R. Little
					V08	Real Estate	D. Malisani
					X08	Substation - Relay Shop	K. Dean
					Z08	Electric Meter Shop	K. Dean
					B51	Chief Gas Engineer	M. Faulkenberry
					C51	AC Operations Specialist (Electric)	R. Taylor

Responsibility Codes - Current Structure 1 (EFFECTIVE 1/1/98)

Summ.	Summ.	Summ.	Summ.	Summ.	RC	Name	Person Responsible
	CEXO	VPJE				Finance & Other Corporate Support Services	J. Eliassen
					J01	Sr. VP & CFO	J. Eliassen
					W01	Strategic Planning Coordinator	R. Woodworth
					J54	Internal Auditing	R. Stevens
					R54	Risk Management	A. Roark
					L54	Travel & Flight Operations	B. Scott
					N54	Contracts	C. Thomas
				0054		Finance Department	Strategy Council
					A54	Retail Accounting Services Team	Team Coordinator
					B54	Resource Accounting Services Team	Team Coordinator
					C54	Reporting Services Team	Team Coordinator
					D54	General Accounting Services Team	Team Coordinator
					E54	Accounts Payable/Payroll Services Team	Team Coordinator
					F54	Treasury & Trust Management Services Team	Team Coordinator
					G54	Strategy Council	Team Coordinator
					H54	Remittance Services Team	Team Coordinator
					M54	Budget & Forecasting	B. Peterson
			0009			Information Services	R. Peterson
				COMM		Telecommunications	H. Smith
					A09	Telecommunications	H. Smith
					B09	Communications Shop	B. Schlangen
					D09	SCADA	H. Smith
				INFO		Information Systems & Multimedia	J. Kensok/J. Emerson
					M09	Document Services	J. Emerson
					N09	Data Network	J. Kensok
					P09	Computing Infrastructure Support	J. Kensok
					W09	Application Support	J. Emerson
	CEXO	VPRF				External Affairs	R. Fukai
					M01	VP External Affairs	R. Fukai
					B16	Government Relations	T. Paine
					R11	Rates & Tariffs	T. Dukich
					H14	Corporate Communications	C. Benscheidt
					K14	Public Involvement	B. Mansfield
					N05	Business Strategist	P. Kerwien
					A01	Native American Relations	T. Pessemier
					E14	Environmental Compliance	D. Pottratz
					F14	External Projects	K. Pearman-Gillman

Responsibility Codes - Current Structure 1 (EFFECTIVE 1/1/98)

Summ.	Summ.	Summ.	Summ.	Summ.	RC	Name	Person Responsible
	CEXO	VPJM				Human Resources	J. Matthiesen
					R01	VP Human Resources	J. Matthiesen
			0002			Human Resources	J. Matthiesen
					A02	Human Resources	D. Suttner
					B02	Benefits	D. McIntyre
					D02	Safety & Health	M. Bulish
					E02	Corporate Organizational Development	D. Quincy
					M02	Redesign	B. Fallis
					X02	Business Partners	G. Sisson

ATTACHMENT C
WUTC Request No.171

WASHINGTON WATER POWER
OFFICER INFORMATION (1988-1999)

Year	Officer	Title at Year End
1988	Paul A. Redmond	Chairman of the Board & CEO
1988	James R. Harvey	President & COO
1988	W. Lester Bryan	VP Power Supply
1988	David A. Damiano	VP Engineering and Construction
1988	Jon E. Eliassen	VP Finance & CFO
1988	Gary G. Ely	VP Marketing
1988	Robert D. Fukai	VP Operations
1988	Robert T. McLendon	VP Gas Supply
1988	Joseph R Piedmont	VP Corporate Affairs
1989	Paul A. Redmond	Chairman of the Board & CEO
1989	James R. Harvey	President & COO
1989	W. Lester Bryan	VP Power Supply
1989	David A. Damiano	VP Engineering and Construction
1989	Jon E. Eliassen	VP Finance & CFO
1989	Gary G. Ely	VP Marketing & Gas Supply
1989	Robert D. Fukai	VP Operations
1989	Robert T. McLendon R. 2/28/89	VP Gas Supply
1989	Joseph R Piedmont	VP Corporate Affairs
1990	Paul A. Redmond	Chairman of the Board & CEO
1990	James R. Harvey	President & COO
1990	W. Lester Bryan	VP Power Supply
1990	David A. Damiano	VP Engineering and Construction
1990	Jon E. Eliassen	VP Finance & CFO
1990	Gary G. Ely	VP Natural Gas
1990	Robert D. Fukai	VP Operations
1990	Mark R. Iraola 3/28/90	VP Human Resources
1990	Joseph R Piedmont	VP Corporate Affairs
1990	Nancy J. Racicot 3/28/90	VP Corporate Services
1991	Paul A. Redmond	Chairman of the Board & CEO
1991	James R. Harvey	President & COO
1991	W. Lester Bryan	VP Power Supply
1991	David A. Damiano	VP Engineering and Construction
1991	Jon E. Eliassen	VP Finance & CFO
1991	Gary G. Ely	VP Natural Gas
1991	Robert D. Fukai	VP Operations
1991	Mark R. Iraola	VP Human Resources
1991	JoAnn Matthiesen (2/15/91)	VP Mktg and PR and Assistant to the Chairman
1991	Nancy J. Racicot	VP Corporate Services
1992	Paul A. Redmond	Chairman of the Board & CEO
1992	James R. Harvey	President & COO
1992	W. Lester Bryan	Senior VP Rates & Resources
1992	David A. Damiano (Ret 5/31/92)	VP Engineering and Construction
1992	Jon E. Eliassen	VP Finance & CFO
1992	Gary G. Ely	VP Natural Gas
1992	Robert D. Fukai	VP HR, Corporate Services and Marketing
1992	Mark R. Iraola (left 8/31/92)	VP Human Resources
1992	JoAnn Matthiesen	VP Orgzn Effectiveness, and PR and Asst to the Chair
1992	Nancy J. Racicot	VP - Operations
1993	Paul A. Redmond	Chairman of the Board & CEO
1993	James R. Harvey	President & COO
1993	W. Lester Bryan	Senior VP Rates & Resources
1993	Jon E. Eliassen	VP Finance & CFO
1993	Gary G. Ely	VP Natural Gas
1993	Robert D. Fukai	VP HR, Corporate Services and Marketing
1993	JoAnn Matthiesen	VP Orgzn Effectiveness, and PR and Asst to the Chair
1993	Nancy J. Racicot	VP - Operations

WASHINGTON WATER POWER
OFFICER INFORMATION (1988-1999)

Year	Officer	Title at Year End
1994	Paul A. Redmond	Chairman of the Board, President & CEO
1994	James R. Harvey (Ret 2/94)	President & COO
1994	W. Lester Bryan	Senior VP Rates & Resources
1994	Jon E. Eliassen	VP Finance & CFO
1994	Gary G. Ely	VP Natural Gas
1994	Robert D. Fukai	VP HR, Corporate Services and Marketing
1994	JoAnn Matthiesen	VP Orgzn Effectiveness, and PR and Asst to the Chair
1994	Lawrence J. Pierce (8/94)	VP - Business Analysis
1994	Nancy J. Racicot	VP - Operations
1995	Paul A. Redmond	Chairman of the Board, President & CEO
1995	W. Lester Bryan	Sr VP, Wholesale Elec and Nat Gas Operations
1995	Jon E. Eliassen	VP, Finance & CFO
1995	Gary G. Ely	VP, Reg & Govt Relations, Hydro & Eng Support
1995	Robert D. Fukai	VP, HR, Info Systems & Corporate Services
1995	JoAnn Matthiesen	VP, Orgzn Effectiveness and Communications
1995	Lawrence J. Pierce	VP, Business Analysis & Business Acquisition
1995	Nancy J. Racicot	VP, Retail Electric and Natural Gas Operations
1996	Paul A. Redmond	Chairman of the Board & CEO
1996	W. Lester Bryan	President & COO
1996	Jon E. Eliassen	Senior VP & CFO
1996	Gary G. Ely	Sr VP & Gen Mgr Energy Trading and Market Services
1996	Robert D. Fukai	VP External Relations
1996	JoAnn Matthiesen	VP Human Resources
1996	Lawrence J. Pierce	VP and Treasurer
1996	Nancy J. Racicot	Senior VP & General Manager Energy Delivery
1997	Paul A. Redmond	Chairman of the Board & CEO
1997	W. Lester Bryan	President & COO
1997	Jon E. Eliassen	Senior VP & CFO
1997	Gary G. Ely	Sr VP & Gen Mgr Energy Trading and Market Services
1997	Robert D. Fukai	VP External Relations
1997	JoAnn Matthiesen	VP Human Resources
1997	Lawrence J. Pierce (left 1/1/99)	VP and Treasurer
1997	Nancy J. Racicot (left 8/30/97)	Senior VP & General Manager Energy Delivery
1998	T.M. Matthews	Chairman of the Board & CEO
1998	W. Lester Bryan (ret 2/1/99)	President & COO
1998	David J. Meyer	Senior VP & General Counsel
1998	Jon E. Eliassen	Senior VP & CFO
1998	Gary G. Ely	Sr VP & Gen Mgr Energy Trading and Market Services
1998	Robert D. Fukai	VP External Relations
1998	JoAnn Matthiesen	VP Human Resources
1998	Ronald R. Peterson	VP and Treasurer
1998	Vacant	VP and Controller
1998	Edward H. Turner	VP & General Manager Energy Delivery
1998	Terry L. Syms	VP & Corporate Secretary
1998	Roger D. Woodworth	VP Corporate Development
1999	T.M. Matthews	Chairman of the Board, President & CEO
1999	David J. Meyer	Senior VP & General Counsel
1999	Jon E. Eliassen	Senior VP & CFO
1999	Gary G. Ely	Executive Vice President
1999	Robert D. Fukai	VP External Relations
1999	JoAnn Matthiesen	VP Human Resources
1999	Ronald R. Peterson	VP and Treasurer
1999	Christy Burmeister-Smith	VP and Controller
1999	Edward H. Turner	VP & General Manager Energy Delivery
1999	Terry L. Syms	VP & Corporate Secretary
1999	Roger D. Woodworth	VP Corporate Development
1999	David A. Brukardt	VP Investor Relations

ATTACHMENT D
WUTC Request No.171

1988

Shareholders may only nominate directors for election at meetings of shareholders in accordance with the procedures set forth in the Bylaws of the Company.

EXECUTIVE COMPENSATION

Cash Compensation

The cash compensation of each of the Company's five most highly compensated executive officers (whose cash compensation exceeded $60,000) and of all present executive officers as a group for services in all capacities to the Company and its subsidiaries during 1988 is set forth in the table that follows.

		Cash Compensation	
Name of Individual or Number in Group	Capacities in Which Served	Utility Operations(1)	Non-Utility Operations
P. A. Redmond	Chairman of the Board and Chief Executive Officer	$ 205,351	$ 28,981
J. R. Harvey	President and Chief Operating Officer	146,978	19,644
W. L. Bryan	Vice President—Power Supply	117,175	0
R. D. Fukai	Vice President—Operations	108,004	6,773
J. E. Eliassen	Vice President—Finance and Chief Financial Officer	101,232	13,545
All executive officers (11) as a group		$1,177,607	$ 79,161

(1) Utility operations are those related to electric and gas operations. Only compensation charged to electric and gas utility operations is recovered as an expense for ratemaking purposes.

Certain Employee Benefit Plans

Executive Incentive Compensation Plan. The Company's Annual Incentive Plan and its Long-Term Performance Stock Plan are, as of February 1, 1989, being administered by the Compensation Committee together as a combined and modified plan referred to as the Executive Incentive Compensation Plan (the "Plan"). The Plan provides for payment to key executives of the Company of compensation in addition to their salaries. The total amount of additional compensation payable to each individual key executive for a Plan year is determined by the Compensation Committee at the end of such Plan year based upon individual performance and on achievement of specific strategic corporate goals.

At the beginning of the Plan year, the Compensation Committee establishes the specific corporate performance goals as recommended by the Chief Executive Officer which are to apply for such Plan year. Such specific corporate performance goals contain both a short-term component and a long-term component. The short-term goals relate to one or more indicators of financial performance of the Company over such Plan year. The long-term component is based upon the shareholder value of the Company's Common Stock measured against the mean performance of the common stocks of a peer group selected by the Board of Directors over a three-year period commencing two years prior to the beginning of such Plan year and ending on the last day of such Plan year. Shareholder value is calculated as the sum of cash dividends over the performance period plus the change in stock price from the beginning to the end of the period.

Under the Plan, the maximum amount that may be distributed to any individual key executive is a specified percentage of such key executive's salary, as set by the Compensation Committee. Such percentages range from 35% to 50%. The actual amount to be distributed to such key executive depends on the extent to which individual and corporate goals have been satisfied, but will not exceed such specified percentage of salary. Benefits under the Plan will be distributed at the end of each Plan year and will be payable 50% in cash and 50% in Common Stock of the Company.

The Compensation Committee assigned Contingent Shares of Company Common Stock under the Long-Term Performance Stock Plan prior to its incorporation into the Plan for the three-year performance period commencing January 1, 1988 to each of the five most highly compensated key executives and all present key executives as a group, as follows: Mr. Redmond — 2,355 shares; Mr. Harvey — 1,578 shares; Mr. Bryan — 1,178 shares; Mr. Fukai — 1,178 shares; Mr. Eliassen — 1,178 shares; all present key executives as a group— 10,528 shares.

1988

Distributions made under the former Annual Incentive Plan to the Company's five most highly compensated executive officers and all present executive officers as a group for services rendered during 1988 were as follows: Mr. Redmond — $73,500; Mr. Harvey — $49,245; Mr. Bryan — $35,219; Mr. Fukai — $35,219; Mr. Eliassen — $33,688; all present executive officers as a group — $309,253.

Executive Deferral Plan. The Company has an Executive Deferral Plan for key executive officers and members of the Board of Directors of the Company. The plan, as revised effective March 1, 1989, allows key executive officers and members of the Board of Directors the opportunity to defer not less than $2,000 of their annual compensation until their retirement or until their earlier termination, disability or death. Key executive officers are permitted to defer up to 75% of their base salary and/or up to 100% of any cash awarded under the provisions of the Executive Incentive Compensation Plan. Directors may defer up to 100% of all compensation and/or fees received. Payments to participants in the plan after retirement or death are made in equal monthly installments over a period of either 60, 120, or 180 months as chosen by the participant. Payments to participants in the plan after termination or disability are made in one lump sum of up to $50,000 with any remaining deferred amounts paid in equal monthly installments. Deferred compensation is credited with interest semiannually at a rate equal to the 10-year yield to maturity of issues of direct obligations of the United States government plus 1%. Compensation deferred under the plan prior to its revision for services rendered by executive officers during 1988 is included in the Cash Compensation Table. The amount of interest earned in 1988 under the plan prior to its revision, which was in excess of Moody's Seasoned Corporate Bond Index, by the Company's five most highly compensated executive officers, all present executive officers as a group and all present members of the Board of Directors who are not executive officers, was as follows: Mr. Redmond — $3,868; Mr. Harvey — $4,795; Mr. Bryan — $1,962; Mr. Fukai — $421; Mr. Eliassen — $1,613; all present executive officers as a group — $15,092; all present directors who are not executive officers, as a group — $1,674.

Investment Plan for Employees of The Washington Water Power Company. The Investment Plan for Employees of the Company became effective on January 1, 1984. On January 1, 1985, the plan was revised to allow any eligible employee to contribute up to 15 percent of his or her earnings to the plan. The employee must allocate the amount of his or her contribution to be invested in any or all of four investment options. On July 1, 1988, the plan was revised to reflect that the Company shall contribute an amount equal to 50% of each employee's contribution subject to the limitation that the portion of an employee's contribution in excess of 6% of an employee's earnings will not be eligible for the Company's contribution. Company contributions are invested in Common Stock of the Company. Distributions to employees under the plan are made only upon termination of employment with the Company or upon a showing by the employee of financial hardship.

During 1988, employer contributions under the plan made for each of the Company's five most highly compensated executive officers and all present executive officers as a group were as follows: Mr. Redmond — $3,377; Mr. Harvey — $3,439; Mr. Bryan — $2,698; Mr. Fukai — $2,625; Mr. Eliassen — $3,060; all present executive officers as a group — $28,663.

ITRON, Inc., Non-Qualified Stock Option Plan. Pentzer Corporation, a wholly-owned subsidiary of the Company, owns 68% of the authorized and issued common stock of ITRON, Inc. ("ITRON"). ITRON has a Non-Qualified Stock Option Plan under which options to purchase ITRON common stock may be granted to directors and officers of ITRON. The aggregate number of shares which may be issued upon the exercise of options granted under the plan shall not exceed 150,000, subject to adjustment to reflect a stock split, stock dividend or the like. The Board of Directors of ITRON determines those officers or directors who merit consideration for the grant of an option under the plan as well as the number and option price of shares subject to such options. On April 19, 1988, Mr. Redmond, Mr. Harvey and Mr. Eliassen, who are directors of ITRON, were each granted options to purchase an additional 5,000 shares of ITRON common stock at a price of $.75 per share, the fair value of ITRON stock at that date, as determined by ITRON's Board of Directors.

1989

EXECUTIVE COMPENSATION

Cash Compensation

The cash compensation of each of the Company's five most highly compensated executive officers (whose cash compensation exceeded $60,000) and of all present executive officers as a group for services in all capacities to the Company and its subsidiaries during 1989 is set forth in the table that follows.

Name of Individual or Number in Group	Capacities in Which Served	Cash Compensation Utility Operations(1)	Cash Compensation Non-Utility Operations
P. A. Redmond	Chairman of the Board and Chief Executive Officer	$ 236,681	$ 29,253
J. R. Harvey	President and Chief Operating Officer	195,143	22,925
J. E. Eliassen	Vice President—Finance and Chief Financial Officer	135,601	17,411
R. D. Fukai	Vice President—Operations	138,212	7,955
W. L. Bryan	Vice President—Power Supply	135,058	0
All executive officers (11) as a group		$1,378,972	$ 94,128

(1) Utility operations are those related to electric and gas operations. Only compensation charged to electric and gas utility operations is recovered as an expense for ratemaking purposes.

Certain Employee Benefit Plans

Executive Incentive Compensation Plan. The Company's Executive Incentive Compensation Plan is administered by the Compensation Committee. The plan provides for payment to key executive officers of the Company of compensation in addition to their salaries. The total amount of additional compensation payable to a key executive officer for a plan year is determined by the Compensation Committee at the end of such plan year based upon individual performance and on achievement of specific strategic corporate goals.

At the beginning of the plan year, the Compensation Committee establishes the specific corporate performance goals as recommended by the Chief Executive Officer which are to apply for such plan year. Such specific corporate performance goals contain both a short-term component and a long-term component. The short-term goals relate to one or more indicators of financial performance of the Company over such plan year. The long-term component is based upon the shareholder value of the Company's Common Stock measured against the mean performance of the common stocks of a peer group selected by the Board of Directors over a three-year period commencing two years prior to the beginning of such plan year and ending on the last day of such plan year. Shareholder value is calculated as the sum of cash dividends over the performance period plus the change in stock price from the beginning to the end of the period.

Under the plan, the maximum amount that may be distributed to any individual key executive officer is a specified percentage of such key executive officer's salary, as set by the Compensation Committee. Such percentages range from 35 percent to 50 percent. The actual amount to be distributed to such key executive officer depends on the extent to which individual and corporate goals have been satisfied, but will not exceed such specified percentage of salary. Benefits under the plan will be distributed at the end of each plan year and will be payable 50 percent in cash and 50 percent in Common Stock of the Company.

Shares of Company Common Stock distributed under the plan in 1990, which include Contingent Shares awarded under the Long-Term Performance Stock Plan prior to its incorporation into the plan, for the performance period ending December 31, 1989, to each of the five most highly compensated executive officers and all present executive officers as a group, were as follows: Mr. Redmond — 2,621 shares; Mr. Harvey — 1,774 shares; Mr. Eliassen — 1,280 shares; Mr. Fukai — 1,237 shares; Mr. Bryan — 1,250 shares; all present executive officers as a group — 11,260 shares.

1989

Distributions made in cash in 1990 under the plan to the Company's five most highly compensated executive officers and all present executive officers as a group for services rendered during the same performance period, were as follows: Mr. Redmond — $62,771; Mr. Harvey — $43,739; Mr. Eliassen — $28,719; Mr. Fukai — $24,712; Mr. Bryan — $25,860; all present executive officers as a group — $248,040.

Executive Deferral Plan. The Company has an Executive Deferral Plan for key executive officers and members of the Board of Directors of the Company. The plan allows key executive officers and members of the Board of Directors the opportunity to defer not less than $2,000 of their annual compensation until their retirement or until their earlier termination, disability or death. Key executive officers are permitted to defer up to 75 percent of their base salary and/or up to 100 percent of any cash awarded under the provisions of the Executive Incentive Compensation Plan. Directors may defer up to 100 percent of all compensation and/or fees received. Payments to participants in the plan after retirement or death are made in equal monthly installments over a period of either 60, 120, or 180 months as chosen by the participant. Payments to participants in the plan after termination or disability are made in one lump sum of up to $50,000 with any remaining deferred amounts paid in equal monthly installments. Deferred compensation is credited with interest semiannually at a rate equal to the 10-year yield to maturity of issues of direct obligations of the United States government plus 1 percent. Compensation deferred under the plan for services rendered by executive officers during 1989 is included in the Cash Compensation Table.

Investment and Employee Stock Ownership Plan. The Investment and Employee Stock Ownership Plan for employees of the Company is an amendment and restatement of the Investment Plan for Employees, originally effective January 1, 1984. The plan allows any eligible employee to contribute up to 15 percent of his or her earnings to the plan. The employee must allocate the amount of his or her contribution to be invested in any or all of six investment options. The plan also provides that the Company shall contribute an amount equal to 50 percent of each employee's contribution subject to the limitation that the portion of an employee's contribution in excess of 6 percent of an employee's earnings will not be eligible for the Company's contribution. Company contributions are invested in Common Stock of the Company. Effective January 1, 1990, the plan was amended and restated to comply with numerous changes mandated by the Internal Revenue Code of 1986, to allow for the transfer of shares of Common Stock of the Company or the rollover of distributions from the terminated Payroll-Based Employee Stock Ownership Plan or another qualified plan, to increase the number of investment options in which employee contributions can be invested from four to six, one of which is the option to purchase Company Common Stock, and to incorporate an employee stock ownership plan ("ESOP") component. Under the ESOP, the plan trustee is authorized to borrow funds for the purpose of purchasing Company Common Stock. Company contributions and dividends on such shares of Common Stock may be used by the plan trustee to repay the loan. As the loan is repaid, the Common Stock acquired with the proceeds of the loan will be allocated to the accounts of the participants in the plan. The Company is currently contemplating the making of a loan to the plan trustee for the purchase by the plan trustee of up to 500,000 presently authorized but unissued shares of Company Common Stock. Distributions to employees under the plan are made only upon termination of employment with the Company or upon a showing by the employee of financial hardship.

During 1989, employer contributions under the plan made for each of the Company's five most highly compensated executive officers and all present executive officers as a group were as follows: Mr. Redmond — $3,814; Mr. Harvey — $3,814; Mr. Eliassen — $3,510; Mr. Fukai — $3,814; Mr. Bryan — $3,796; all present executive officers as a group — $34,589.

ITRON, Inc. 1989 Stock Option Plan. Pentzer Corporation, a wholly-owned subsidiary of the Company, owns 67 percent of the authorized and issued common stock of ITRON, Inc. ("ITRON"). ITRON has adopted the ITRON, Inc. 1989 Stock Option Plan pursuant to which options to purchase ITRON common stock may be granted from time to time to directors and officers of ITRON. The aggregate number of shares which may be issued upon the exercise of options granted under the plan shall not exceed 3,756,976, subject

EXECUTIVE COMPENSATION

1990

Cash Compensation

The cash compensation of each of the Company's five most highly compensated executive officers (whose cash compensation exceeded $60,000) and of all present executive officers as a group for services in all capacities to the Company and its subsidiaries during 1990 is set forth in the table that follows.

Name of Individual or Number in Group	Capacities in Which Served	Cash Compensation	
		Utility Operations(1)	Non-Utility Operations
P. A. Redmond	Chairman of the Board and Chief Executive Officer	$ 255,317	$ 21,829
J. R. Harvey	President and Chief Operating Officer	168,492	31,053
J. E. Eliassen	Vice President—Finance and Chief Financial Officer	143,522	9,311
R. D. Fukai	Vice President—Operations	135,914	3,042
W. L. Bryan	Vice President—Power Supply	138,573	0
All executive officers (12) as a group		$1,434,912	$110,912

(1) Utility operations are those related to electric and gas operations. Only compensation charged to electric and gas utility operations is recovered as an expense for ratemaking purposes.

Certain Employee Benefit Plans

Executive Incentive Compensation Plan. The Company's Executive Incentive Compensation Plan is administered by the Compensation Committee. The plan provides for payment to elected officers or other key executives of the Company designated by the Board of Directors (a "participant") of compensation in addition to their salaries. The total amount of additional compensation payable to a participant for a plan year is determined by the Compensation Committee at the end of such plan year based upon individual performance and on achievement of specific strategic corporate goals.

At the beginning of the plan year, the Compensation Committee establishes the specific corporate performance goals as recommended by the Chief Executive Officer which are to apply for such plan year. Such specific corporate performance goals contain both a short-term component and a long-term component. The short-term goals relate to one or more indicators of financial performance of the Company over such plan year. The long-term component is based upon the shareholder value of the Company's Common Stock measured against the mean performance of the common stocks of a peer group selected by the Board of Directors over a three-year period commencing two years prior to the beginning of such plan year and ending on the last day of such plan year. Shareholder value is calculated as the sum of cash dividends over the performance period plus the change in stock price from the beginning to the end of the period.

Under the plan, the maximum amount that may be distributed to any participant is a specified percentage of such participant's salary, as set by the Compensation Committee. Such percentages range from 35 percent to 50 percent. The actual amount to be distributed to such participant depends on the extent to which individual and corporate goals have been satisfied, but will not exceed such specified percentage of salary. Benefits under the plan will be distributed at the end of each plan year and will be payable 50 percent in cash and 50 percent in Common Stock of the Company.

Shares of Company Common Stock distributed under the plan in 1991, which include Contingent Shares awarded under the Long-Term Performance Stock Plan prior to its incorporation into the plan, for the performance period ending December 31, 1990, to each of the five most highly compensated executive officers and all present executive officers as a group, were as follows: Mr. Redmond — 4,031 shares; Mr. Harvey — 2,779 shares; Mr. Eliassen — 1,923 shares; Mr. Fukai — 1,782 shares; Mr. Bryan — 1,782 shares; all present executive officers as a group — 15,640 shares.

1990

Distributions made in cash in 1991 under the plan to the Company's five most highly compensated executive officers and all present executive officers as a group for services rendered during the same performance period, were as follows: Mr. Redmond — $101,097; Mr. Harvey — $71,215; Mr. Eliassen — $46,382; Mr. Fukai — $40,121; Mr. Bryan — $40,121; all present executive officers as a group — $386,077.

Executive Deferral Plan. The Company has an Executive Deferral Plan for key executive officers and members of the Board of Directors of the Company. The plan allows key executive officers and members of the Board of Directors the opportunity to defer not less than $2,000 of their annual compensation until their retirement or until their earlier termination, disability or death. Key executive officers are permitted to defer up to 75 percent of their base salary and/or up to 100 percent of any cash awarded under the provisions of the Executive Incentive Compensation Plan. Directors may defer up to 100 percent of all compensation and/or fees received. Payments to participants in the plan after retirement or death are made in equal monthly installments over a period of either 60, 120, or 180 months as chosen by the participant. Payments to participants in the plan after termination or disability are made in one lump sum of up to $50,000 with any remaining deferred amounts paid in equal monthly installments. Deferred compensation is credited with interest semiannually at a rate equal to the 10-year yield to maturity of issues of direct obligations of the United States government plus 1 percent. Compensation deferred under the plan for services rendered by executive officers during 1990 is included in the Cash Compensation Table.

Effective January 1, 1990, the plan was amended to provide for an employer contribution to executive officer accounts in an amount equal to what the Company would have contributed under the Investment and Employee Stock Ownership Plan, notwithstanding elective deferrals under the Executive Deferral Plan or limitations of Section 415 of the Internal Revenue Code of 1986.

During 1990, employer contributions under the plan for each of the Company's five most highly compensated executive officers and all present executive officers as a group were as follows: Mr. Redmond — $6,220; Mr. Harvey — $3,273; Mr. Eliassen — $1,453; Mr. Fukai — $412; Mr. Bryan — $1,145; all present executive officers as a group — $13,720.

Investment and Employee Stock Ownership Plan. The Investment and Employee Stock Ownership Plan for employees of the Company allows any eligible employee to contribute up to 15 percent of his or her earnings to the plan. The employee must allocate the amount of his or her contribution to be invested in any or all of six investment options, one of which is the option to purchase Company common stock. The plan also provides that the Company shall contribute an amount equal to 65 percent of each employee's contribution subject to the limitation that the portion of an employee's contribution in excess of 6 percent of an employee's earnings will not be eligible for the Company's contribution. Company contributions are invested in Common Stock of the Company. Under the employee stock ownership component of the plan, the trustee is authorized to borrow funds for the purpose of purchasing Company Common Stock. Company contributions and dividends on such shares of Common Stock may be used by the plan trustee to repay the loan. As the loan is repaid, the Common Stock acquired with the proceeds of the loan will be allocated to the accounts of the participants in the plan. In 1990 the Company made a loan of $14,125,000 to the plan trustee for the purchase by the plan trustee of 500,000 shares of Company Common Stock. Distributions to employees under the plan are made only upon termination of employment with the Company or upon a showing by the employee of financial hardship.

During 1990, employer contributions under the plan made for each of the Company's five most highly compensated executive officers and all present executive officers as a group were as follows: Mr. Redmond — $3,989; Mr. Harvey — $4,300; Mr. Eliassen — $4,471; Mr. Fukai — $4,456; Mr. Bryan — $4,474; all present executive officers as a group — $44,642.

ITRON, Inc. 1989 Stock Option Plan. Pentzer Corporation, a wholly-owned subsidiary of the Company, owns 61 percent of the authorized and issued common stock of ITRON, Inc. ("ITRON"). ITRON has adopted the ITRON, Inc. 1989 Stock Option Plan pursuant to which options to purchase ITRON common stock may be granted from time to time to directors and officers of ITRON. The aggregate number of shares which may be issued upon the exercise of options granted under the plan shall not exceed 3,756,976, subject

1991

EXECUTIVE COMPENSATION

Cash Compensation

The cash compensation of each of the Company's five most highly compensated executive officers (whose cash compensation exceeded $60,000) and of all present executive officers as a group for services in all capacities to the Company and its subsidiaries during 1991 is set forth in the table that follows.

Name of Individual or Number in Group	Capacities in Which Served	Cash Compensation: Utility Operations[1]	Cash Compensation: Non-Utility Operations
P. A. Redmond	Chairman of the Board and Chief Executive Officer	$ 274,815	$ 23,373
J. R. Harvey	President and Chief Operating Officer	194,160	15,362
J. E. Eliassen	Vice President—Finance and Chief Financial Officer	153,541	7,215
R. D. Fukai	Vice President—Operations	145,286	215
W. L. Bryan	Vice President—Power Supply	145,501	0
All executive officers (13) as a group		$1,693,527	$48,947

(1) Utility operations are those related to electric and gas operations. Only compensation charged to electric and gas utility operations is recovered as an expense for ratemaking purposes.

Certain Employee Benefit Plans

Executive Incentive Compensation Plan. The Company's Executive Incentive Compensation Plan is administered by the Compensation Committee. The plan provides for payment to elected officers or other key executives of the Company designated by the Board of Directors (a "participant") of compensation in addition to their salaries. Effective January 1992, the Chief Executive Officer is no longer a participant in this plan. See "CEO Incentive Stock Plan" below. The total amount of additional compensation payable to a participant for a plan year is determined by the Compensation Committee at the end of such plan year based upon individual performance and on achievement of specific strategic corporate goals.

At the beginning of the plan year, the Compensation Committee establishes the specific corporate performance goals as recommended by the Chief Executive Officer which are to apply for such plan year. Such specific corporate performance goals contain both a short-term component and a long-term component. The short-term goals relate to one or more indicators of financial performance of the Company over such plan year. The long-term component is based upon the shareholder value of the Company's Common Stock measured against the median performance of the common stocks of a peer group selected by the Board of Directors over a three-year period commencing two years prior to the beginning of such plan year and ending on the last day of such plan year. Shareholder value is calculated as the sum of cash dividends over the performance period plus the change in stock price from the beginning to the end of the period.

Under the plan, as modified in 1992, the target amount established for any participant is a specified percentage of such participant's salary, as set by the Compensation Committee. Such percentages range from 35 percent to 50 percent. The actual amount to be distributed to such participant depends on the extent to which individual and corporate goals have been satisfied. In the event that such goals have been achieved, a participant may be entitled to receive 100 percent of the specified percentage of his or her salary and, in the event that individual performance goals have been exceeded, a participant may be entitled to receive up to 150 percent of such specified percentage. Benefits under the plan will be distributed at the end of each plan year and will be payable 50 percent in cash and 50 percent in Common Stock of the Company.

Shares of Company Common Stock distributed under the plan in 1992 for the performance period ending December 31, 1991, to each of the five most highly compensated executive officers and all present executive officers as a group, were as follows: Mr. Redmond — 1,000 shares; Mr. Harvey — 701 shares; Mr. Eliassen — 428 shares; Mr. Fukai — 395 shares; Mr. Bryan — 395 shares; all present executive officers as a group — 4,671 shares.

Distributions made in cash in 1992 under the plan to the Company's five most highly compensated executive officers and all present executive officers as a group for services rendered during the same performance period, were as follows: Mr. Redmond — $32,381; Mr. Harvey — $22,705; Mr. Eliassen — $13,876; Mr. Fukai — $12,782; Mr. Bryan — $12,782; all present executive officers as a group — $151,301.

CEO Incentive Stock Plan. Effective January 1992, the Board of Directors has adopted the CEO Incentive Stock Plan. The plan is administered by the Compensation Committee of the Board of Directors and provides for the payment to Mr. Redmond of awards of Common Stock of the Company in addition to salary. The total number of shares to be distributed to Mr. Redmond is determined by the Board of Directors based upon the achievement of specific strategic corporate goals.

The Board of Directors has established the specific corporate performance goals which are to apply under the plan. These goals are based upon the Company's achieving certain levels of annual earnings per share. For purposes of determining whether such goals have been met, any extraordinary items of income (e.g., a one-time sale of assets) during a year will be disregarded. The Board of Directors may modify any goals established under the plan as it deems necessary and appropriate.

Under the plan, Mr. Redmond will be granted 1,000 shares of the Company's Common Stock when annual earnings per share equal or exceed $2.75 for the first time. For each additional $0.10 of annual earnings per share attained for the first time, Mr. Redmond will be granted an additional 1,000 shares of the Company's Common Stock. When annual earnings per share of $3.30 or greater are attained for the first time, Mr. Redmond will receive an additional grant of 11,000 shares of the Company's Common Stock.

All distributions under the plan will be made to Mr. Redmond in shares of Common Stock of the Company.

Executive Deferral Plan. The Company has an Executive Deferral Plan for key executive officers and members of the Board of Directors of the Company. The plan allows key executive officers and members of the Board of Directors the opportunity to defer not less than $2,000 of their annual compensation until their retirement or until their earlier termination, disability or death. Key executive officers are permitted to defer up to 75 percent of their base salary and/or up to 100 percent of any cash awarded under the provisions of the Executive Incentive Compensation Plan. Directors may defer up to 100 percent of all compensation and/or fees received. Payments to participants in the plan after retirement or death are made in equal monthly installments over a period of either 60, 120, or 180 months as chosen by the participant. Payments to participants in the plan after termination or disability are made in one lump sum of up to $50,000 with any remaining deferred amounts paid in equal monthly installments. Deferred compensation is credited with interest semiannually at a rate equal to the 10-year yield to maturity of issues of direct obligations of the United States government plus 1 percent. Compensation deferred under the plan for services rendered by executive officers during 1991 is included in the Cash Compensation Table.

The plan also provides for an employer contribution to executive officer accounts in an amount equal to what the Company would have contributed under the Investment and Employee Stock Ownership Plan, notwithstanding elective deferrals under the Executive Deferral Plan or limitations of Section 415 of the Internal Revenue Code of 1986.

During 1991, employer contributions under the plan for each of the Company's five most highly compensated executive officers and all present executive officers as a group were as follows: Mr. Redmond — $8,001; Mr. Harvey — $4,892; Mr. Eliassen — $2,402; Mr. Fukai — $1,178; Mr. Bryan — $1,294; all present executive officers as a group — $20,448.

Investment and Employee Stock Ownership Plan. The Investment and Employee Stock Ownership Plan for employees of the Company allows any eligible employee to contribute up to 15 percent of his or her earnings to the plan. The employee must allocate the amount of his or her contribution to be invested in any

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Committee and the entire Board of Directors recognize and highly value Mr. Redmond's visionary leadership, breadth of knowledge, and complex business and utility experience, all of which have contributed significantly to the combined long-term success of the Company and its 16 subsidiaries (direct and indirect) of which he is also Chairman.

In 1992, under Mr. Redmond's leadership as CEO, the Company achieved many accomplishments. Despite adverse weather-related impacts, overall earnings increased to $2.74 per share, an increase of six cents over 1991. A number of subsidiary activities, including the ITRON merger with Enscan, resulted in enhanced subsidiary results, which contributed significantly to the Company's overall earnings. Strong customer growth was achieved by, among other efforts, the Company's involvement in facilitating economic growth and development in its service territory and the acquisition of the north Idaho electric distribution assets of Citizens Utilities. And, the Company continues to maintain its competitive edge as one of the nation's lowest-cost providers of energy services.

Executive Incentive Compensation Plan

The plan provides the opportunity for executive officers (other than Mr. Redmond who is covered by the CEO Incentive Stock Plan) to earn both annual and long-term incentives in addition to their salaries. The Compensation Committee each year establishes the target amounts as a specified percentage of the executive officer's salary. For 1992, such percentages ranged from 35% to 50%. In the event that individual and corporate goals (as more fully described under Annual Incentives and Long-Term Incentives) are achieved, an executive officer may be entitled to receive the full award and, in the event that individual performance goals have been exceeded, an executive officer may be entitled to receive up to 150% of such targeted percentage. The Committee believes that having as much as 50% of an executive officer's total compensation at risk also fosters achievement of the Company's short-term and long-term financial performance goals as set forth below.

Annual Incentives. Each year, the Committee establishes short-term financial goals which relate to on or more indicators of corporate financial performance. Incentive awards are paid to participating executive under the Executive Incentive Compensation Plan only when the predesignated financial goals are achievec For 1992, the short-term incentive award opportunity was contingent upon attaining a prespecified level c earnings per share. In addition, a portion of the executives' incentive opportunities was contingent upoı meeting individual performance goals established for each executive.

Payouts under the Executive Incentive Compensation Plan are made 50% in cash and 50% in Compan common stock. The Committee believes that payment of a portion of the short-term incentive opportunity ir the form of Company common stock helps strike a balance between the focus of executives on short-terr and long-term corporate financial results.

Short-term incentive payments, if any, are reflected in the Summary Compensation Table under the column entitled "Bonus." No short-term incentives were paid in 1992 since the earnings per share goal was not achieved.

Long-Term Incentives. Each year, the Committee establishes a long-term financial performance goal which must be achieved in order for executives to receive the targeted payout. This long-term financial goal is based upon increases in the value of shareholders' interests in the Company's common stock, measured against the median performance of the stocks of a peer group of electric and combination (electric and natural gas) utilities approved by the Board of Directors. Shareholder value is measured over a three-year period and is calculated by adding cash dividends and stock price appreciation over the performance period.

The long-term performance focus is further encouraged through the payout of 50% of the awards under the Executive Incentive Compensation Plan in the form of Company common stock. Also, a portion of the executives' incentive opportunities are contingent upon meeting individual performance goals established for each executive.

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Long-term incentive payments, if any, are reflected in the Summary Compensation Table under the column entitled "Long-Term Incentive Payouts." No long-term incentives were paid to executive officers in 1992 since the shareholder value goal was not achieved.

CEO Incentive Stock Plan

Mr. Redmond's incentive award under the CEO Incentive Stock Plan is based upon the degree of achievement of specific strategic corporate performance goals established by the Board of Directors. Mr. Redmond's 1992 award opportunity was based upon the attainment of prespecified levels of annual earnings per share. Under the plan, Mr. Redmond would be granted 1,000 shares of Company common stock when annual earnings per share first equals or exceeds $2.75. For each additional 10¢ of annual earnings per share attained for the first time, Mr. Redmond would be granted an additional 1,000 shares of Company common stock. When annual earnings per share of $3.30 or greater are attained for the first time, Mr. Redmond would receive an additional grant of 11,000 shares of Company common stock.

The Committee believes that the CEO Incentive Stock Plan provides an appropriate link between the achievement of challenging financial goals and a competitive incentive opportunity. The Committee further believes that the CEO Incentive Stock Plan provides a proper balance between short-term financial goals and long-term corporate goals by providing for payout of awards to Mr. Redmond entirely in the form of Company common stock.

Mr. Redmond did not receive any payment under the CEO Incentive Stock Plan in 1992, since the earnings per share goal was not achieved.

Summary

Each year, the Committee reviews all elements of cash and non-cash compensation paid to all executive officers of the Company. The Committee manages all elements of executive pay in order to ensure that pay levels are consistent with those provided to similarly situated executives at the Company's competitors. In addition, the Committee administers the Company's executive compensation plans to foster the Company's objectives of linking executive pay to improved Company financial performance and increased shareholder value.

Members of the Compensation Committee

David A. Clack   Duane B. Hagadone   Eugene W. Meyer   R. John Taylor

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SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Annual Compensation(1) Salary($)	Bonus($)(2)	Long-Term Compensation(1) Awards: Restricted Stock Awards($)(3)	Payouts: Long-Term Incentive Payouts($)(4)	All Other Comp.($)(5)
P.A. Redmond	1992	$460,417	$ 0		$ 0	$ 17,959
Chairman of the Board and	1991	$298,188	$ 64,762		$ 0	$ 13,510
Chief Executive Officer	1990	$277,146	$101,097		$120,446	$ 77,097
J.R. Harvey	1992	$255,863	$ 0		$ 0	$ 12,811
President and	1991	$209,522	$ 45,410		$ 0	$ 10,523
Chief Operating Officer	1990	$199,545	$ 71,215		$ 83,037	$ 25,296
W.L. Bryan	1992	$161,725	$ 0		$ 0	$ 8,483
Senior Vice President—	1991	$145,501	$ 25,564		$ 0	$ 7,254
Rates and Resources	1990	$138,573	$ 40,121		$ 53,246	$ 5,619
J.E. Eliassen	1992	$168,055	$ 0		$ 0	$ 35,398
Vice President—Finance and	1991	$160,756	$ 27,752		$ 0	$ 14,409
Chief Financial Officer	1990	$152,833	$ 46,382		$ 57,459	$ 20,639
R.D. Fukai	1992	$152,776	$ 0		$ 0	$ 18,891
Vice President—	1991	$145,501	$ 25,564		$ 0	$ 35,175
Human Resources, Corporate Services and Marketing	1990	$138,956	$ 40,121		$ 53,246	$ 4,868

(1) Includes any amounts deferred pursuant to the Executive Deferral Plan. This plan allows executive officers the opportunity to defer until their retirement or until their earlier termination, disability or death, up to 75% of their base salary and/or up to 100% of any cash awarded under the provisions of the Executive Incentive Compensation Plan. Deferred compensation is credited with interest at a non-preferential rate.

(2) Distributed 50% in the form of Company common stock and 50% in cash pursuant to the annual incentive component of the Executive Incentive Compensation Plan. In the case of Mr. Redmond, any distributions made are pursuant to the CEO Incentive Stock Plan effective January 1992.

(3) Mr. Redmond and Mr. Eliassen (as outside directors of Pentzer Corporation, the holding company for the majority of the Company's indirect subsidiaries) were each granted on July 1, 1992, 1,714 shares of restricted stock of Northwest Telecommunications, Inc., and 714 shares of restricted stock of Pentzer Energy Services, Inc., and on December 31, 1992, were each granted 642 shares of restricted stock of Pentzer Jefferson Corporation. Mr. Redmond and Mr. Eliassen both paid book value which was determined to be the fair market value for the stock at the date of the grants. The Pentzer Energy and Pentzer Jefferson restricted stock vests at the end of three years; vesting can be accelerated upon death, disability or change in control. Northwest Telecommunications restricted stock vesting is tied to the redemption of its preferred stock and could vest in less than three years; vesting can be accelerated upon death, disability or change in control. Under certain circumstances, Mr. Redmond and Mr. Eliassen can require the issuers to repurchase the stock at adjusted book value at the time of such repurchase.

(4) Distributed 50% in the form of Company common stock and 50% in cash pursuant to the long-term incentive component of the Executive Incentive Compensation Plan. For 1990, the amount includes the value of the shares awarded under the former Long-Term Performance Stock Plan.

(5) Includes total employer contributions under both the Executive Deferral Plan and the Investment and Employee Stock Ownership Plan (401(k) plan), pursuant to which plans the Company matches 75% of each executive officer's deferral up to 6% of salary. Also includes payments for unused, paid time-off accrued under the Company's One-Leave Program.
Individual amounts under the deferral plan for 1992 were: Redmond—$11,413, Harvey—$6,265, Bryan —$1,937, Eliassen—$3,218, Fukai—$2,021.
The amount under the 401(k) plan for 1992 for each of the above-named persons was $6,546.

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Individual amounts under the One-Leave Program for 1992 were: Redmond—$0, Harvey—$0, Bryan—$0, Eliassen—$25,634 (260 hrs.), Fukai—$10,324 (100 hrs).

Individual amounts under the deferral plan for 1991 were: Redmond—$8,001, Harvey—$4,892, Bryan—$1,294, Eliassen—$2,402, Fukai—$1,178.

Individual amounts under the 401(k) plan for 1991 were: Redmond—$5,509, Harvey—$5,631, Bryan—$5,960, Eliassen—$5,827, Fukai—$5,904.

Individual amounts under the One-Leave Program for 1991 were: Redmond—$0, Harvey—$0, Bryan—$0, Eliassen—$6,180 (80 hrs.), Fukai—$28,093 (400 hrs.).

Individual amounts under the deferral plan for 1990 were: Redmond—$6,220, Harvey—$3,273, Bryan—$1,145, Eliassen—$1,453, Fukai—$412.

Individual amounts under the 401(k) plan for 1990 were: Redmond—$3,989, Harvey—$4,300, Bryan—$4,474, Eliassen—$4,471, Fukai—$4,456.

Individual amounts under the One-Leave Program for 1990 were: Redmond—$66,888 (500 hrs.), Harvey—$17,723 (184 hrs.), Bryan—$0, Eliassen—$14,715 (200 hrs.), Fukai—$0.

ALLOCATION OF COMPENSATION

The following table, which is not required by Securities and Exchange Commission regulations, reflects the allocation of compensation to utility and nonutility operations. Utility operations are those related to electric and gas operations. Only compensation charged to utility operations is recovered as an expense for ratemaking purposes.

Name and Principal Position	Year	Allocation: Utility Operations	Allocation: Nonutility Operations	Total Compensation
P.A. Redmond	1992	$323,382	$154,994	$478,376
Chairman of the Board and	1991	$347,096	$ 29,364	$376,460
Chief Executive Officer	1990	$530,299	$ 45,487	$575,786
J.R. Harvey	1992	$268,674	$ 0	$268,674
President and	1991	$246,077	$ 19,378	$265,455
Chief Operating Officer	1990	$319,954	$59,139	$379,093
W.L. Bryan	1992	$170,208	$ 0	$170,208
Senior Vice President—	1991	$178,319	$ 0	$178,319
Rates and Resources	1990	$237,559	$ 0	$237,559
J.E. Eliassen	1992	$193,891	$ 9,562	$203,453
Vice President—Finance and	1991	$193,786	$ 9,131	$202,917
Chief Financial Officer	1990	$260,397	$ 16,916	$277,313
R.D. Fukai	1992	$171,667	$ 0	$171,667
Vice President—Human Resources,	1991	$206,034	$ 206	$206,240
Corporate Services and Marketing	1990	$231,973	$ 5,218	$237,191

1992 FISCAL YEAR END OPTION VALUES

Name	Number of Unexercised Options at 1992 Fiscal Year End (#)		Value of Unexercised In-the-Money Options at 1992 Fiscal Year End ($)	
	Exercisable	Unexercisable	Exercisable	Unexercisable
P.A. Redmond	2,500	0	$25,225	0
J.E. Eliassen	2,500	0	$25,225	0

The table above sets forth information with respect to unexercised stock options of ITRON, Inc. (a corporation in which the Company's subsidiary, Pentzer Corporation, owns approximately 39% of the outstanding common stock) held by each of the listed executive officers as of December 31, 1992.

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- Bond and preferred stock ratings raised by Duff & Phelps to A and A-, respectively.
- One of only 24 investor-owned utilities in the nation ranked above average by Standard & Poor's.
- Mr. Redmond continued to play a key leadership role in regional economic development and job retention.
- WWP's recognized expertise in hydroelectric operations resulted in being invited to explore investment opportunities abroad, and the signing of an information exchange agreement with the North China Power Group.
- Water Power continued to maintain its competitive edge and remains one of the nation's lowest-cost energy providers, positioning the Company for the future.

Executive Incentive Compensation Plan

This plan provides the opportunity for executive officers (other than Mr. Redmond who is covered by the CEO Incentive Stock Plan) to earn both annual and long-term incentives in addition to their salaries. The Compensation Committee each year establishes the target amounts as a specified percentage of the executive officer's salary. For 1993, such percentages ranged from 35% to 50%. In the event that individual and corporate goals (as more fully described under Annual Incentives and Long-Term Incentives) are achieved, an executive officer may be entitled to receive the full award and, in the event that individual performance goals have been exceeded, an executive officer may be entitled to receive up to 150% of such targeted percentage. The Committee believes that having as much as 50% of an executive officer's total compensation at risk also fosters achievement of the Company's short-term and long-term financial performance goals as set forth below.

Annual Incentives. Each year, the Committee establishes short-term financial goals which relate to one or more indicators of corporate financial performance. Incentive awards are paid to participating executives under the Executive Incentive Compensation Plan only when the pre-designated financial goals are achieved. For 1993, the short-term incentive award opportunity was contingent upon attaining a pre-specified level of earnings per share. In addition, a portion of the executives' incentive opportunities was contingent upon meeting individual performance goals established for each executive.

Payouts under the Executive Incentive Compensation Plan are made 50% in cash and 50% in Company Common Stock. The Committee believes that payment of a portion of the short-term incentive opportunity in the form of Company Common Stock helps strike a balance between the focus of executives on short-term and long-term corporate financial results.

Short-term incentive payments, if any, are reflected in the Summary Compensation Table under the column entitled "Bonus." No short-term incentives were paid under the plan in 1993 since the earnings per share goal was not achieved.

Long-Term Incentives. Each year, the Committee establishes a long-term financial performance goal which must be achieved in order for executives to receive the targeted payout. This long-term financial goal is based upon increases in the value of shareholders' interests in the Company's Common Stock, measured against the median performance of the stocks of a peer group of electric and combination (electric and natural gas) utilities approved by the Board of Directors. For 1993, this peer group consisted of about 100 utilities all of which are included in the EEI Index used in the Performance Graph. The Committee has utilized this group of publicly traded utilities since 1987 for purposes of comparison in establishing and measuring results for the long-term incentive plan. Shareholder value is measured over a three-year period and is calculated by adding cash dividends and stock price appreciation over the performance period. For the three-year period ended 1993, the goal was to exceed the median performance of the peer group.

The long-term performance focus is further encouraged through the payout of 50% of the awards under the Executive Incentive Compensation Plan in the form of Company Common Stock. Also, a portion of the executives' incentive opportunities are contingent upon meeting individual performance goals established for each executive.

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Long-term incentive payments, if any, are reflected in the Summary Compensation Table under the column entitled "Long-Term Incentive Payouts." No long-term incentives were paid to executive officers under the plan in 1993 since the shareholder value goal was not achieved.

CEO Incentive Stock Plan

Mr. Redmond's incentive award under the CEO Incentive Stock Plan is based upon the degree of achievement of specific strategic corporate performance goals established by the Board of Directors. Mr. Redmond's award opportunity was established in 1992 and was based upon the attainment of pre-specified levels of annual earnings per share. The award opportunity as well as the targeted earnings per share were adjusted in 1993 to reflect the two-for-one stock split. Under the plan, as adjusted, Mr. Redmond would be granted 2,000 shares of Company Common Stock when annual earnings per share first equals or exceeds $1.38. For each additional 5 cents of annual earnings per share attained for the first time, Mr. Redmond would be granted an additional 2,000 shares of Company Common Stock. When annual earnings per share of $1.65 or greater are attained for the first time, Mr. Redmond would receive an additional grant of 22,000 shares of Company Common Stock. Because earnings per share in 1993 exceeded the target, Mr. Redmond received 4,000 shares of Company Common Stock, which is reflected in the Summary Compensation Table under "Long-Term Incentive Payouts."

The Committee believes that the CEO Incentive Stock Plan provides an appropriate link between the achievement of challenging financial goals and a competitive incentive opportunity. The Committee further believes that the CEO Incentive Stock Plan provides a proper balance between short-term financial goals and long-term corporate goals by providing for payout of awards to Mr. Redmond entirely in the form of Company Common Stock.

Compensation from Subsidiaries

Mr. Redmond, who serves as Chairman of the Board of each of the Company's subsidiaries, received cash awards from Pentzer Corporation, the holding company for the majority of the Company's indirect subsidiaries. These awards, which are shown in the Summary Compensation Table, reflect the decision by the board of directors of Pentzer Corporation to reward Mr. Redmond for his extraordinary efforts and the enhancement of shareholder value through the development and performance of Northwest Telecommunications and Pentzer Energy Services, Inc., and the subsequent successful sale of both. Mr. Redmond also received option grants from various subsidiaries of the Company during 1993, which are also shown in the Summary Compensation Table and the Option Tables. These grants were made by the boards of directors of the subsidiaries pursuant to various incentive plans of the subsidiaries. The awards were not made, or subject to approval, by the Compensation Committee of the Company.

Summary

Each year, the Committee reviews all elements of cash and non-cash compensation paid to all executive officers of the Company. The Committee manages all elements of executive pay in order to ensure that overall pay levels are consistent with those provided to similarly situated executives at the Company's competitors; however, depending on variables, such as meeting performance objectives for incentive plans, the Company's executive officers' total compensation could be equal to the median total pay for other executive officers one year, below another year, and above another year. Finally, the Committee administers the Company's executive compensation plans to foster the Company's objectives of linking executive pay to improved Company financial performance and increased shareholder value.

Members of the Compensation Committee

David A. Clack   Duane B. Hagadone   Eugene W. Meyer   R. John Taylor

1993

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Annual Compensation(1) Salary($) Utility(2)	Salary($) Nonutility	Total Salary($)	Bonus($) Utility(2)	Bonus($) Nonutility	Total Bonus($)	Long-Term Compensation(1) Awards Restricted Stock Awards($)	Awards Securities Underlying Options/SARs(#)	Payouts Long-Term Incentive Payouts($) Utility(2)	Payouts Long-Term Incentive Payouts($) Nonutility	Total Long-Term Incentive Payouts($)	All Other Comp.($)(8)
P.A. Redmond	1993	$213,518	$270,649	$484,167		$286,815(3)	$286,815	$1,952(4)	43,975(5)	$70,950(6)	$385,161(7)	$456,111	$28,375
Chairman of the	1992	$311,294	$149,123	$460,417									$17,959
Board & Chief	1991	$274,815	$ 23,373	$298,188	$64,762		$ 64,762(10)						$13,510
Executive Officer													
J.R. Harvey	1993	$282,917		$282,917									$12,735
President & Chief	1992	$255,863		$255,863									$12,811
Operating Officer	1991	$194,160	$ 15,362	$209,522	$45,410		$ 45,410(10)						$10,523
(Retired 2/94)													
W.L. Bryan	1993	$171,819		$171,819		$ 20,699(9)	$ 20,699						$ 7,349
Senior Vice President	1992	$161,725		$161,725									$ 8,483
Rates & Resources	1991	$145,501		$145,501	$25,564		$ 25,564(10)						$ 7,254
J.E. Eliassen	1993	$142,564	$ 29,255	$171,819				$1,952(4)	2,606(5)				$14,940
Vice President,	1992	$160,232	7,823	$168,055									$35,398
Finance & Chief	1991	$153,541	$ 7,215	$160,756	$27,752		$ 27,752(10)						$14,409
Financial Officer													
R.D. Fukai	1993	$156,197		$156,197									$29,175
Vice President	1992	$152,776		$152,776									$18,891
Corporate Services,	1991	$145,501		$145,501	$25,564		$ 25,564(10)						$35,175
Human Resources													
& Marketing													

1993

Note: Effective 2/94, Mr. Redmond also holds the position of President.

(1) Includes any amounts deferred pursuant to the Executive Deferral Plan. This plan allows executive officers the opportunity to defer until their retirement or until their earlier termination, disability or death, up to 75% of their base salary and/or up to 100% of any cash awarded under the provisions of the Executive Incentive Compensation Plan. Deferred compensation is credited with interest at a non-preferential rate.

(2) Only compensation charged to utility operations is recovered as an expense for ratemaking purposes.

(3) Amount received from Pentzer Corporation, the holding company for the majority of the Company's indirect subsidiaries, as a bonus in connection with the sale of Northwest Telecommunications, Inc.

(4) Mr. Redmond and Mr. Eliassen, as outside directors of Pentzer Corporation, were each granted (i) on December 31, 1992, 642 shares of restricted stock of Pentzer Jefferson Corporation and (ii) on February 26, 1993, 642 shares of restricted stock of Pentzer Financial Services Corporation. The restricted stock vests at the end of three years; vesting can be accelerated upon death, disability or change in control. No dividends are payable. Under certain circumstances, Mr. Redmond and Mr. Eliassen can require the issuers to repurchase the stock at adjusted book value at the time of such repurchase. The Pentzer Jefferson stock had no value at year end. The Pentzer Financial Services stock was valued at $3.04 per share at year end. No other named executive officers own any restricted stock.

(5) Option grants to Mr. Redmond received as a director of certain of the Company's indirect subsidiaries: Imfax—10,442; Pentzer Financial Services—10,733; Pentzer Jefferson Corporation—11,358; ITRON—1,000 and Graphic Communications, Inc.—10,442.
Option grants to Mr. Eliassen received as a director of certain of the Company's indirect subsidiaries; Imfax—696; Pentzer Jefferson Corporation—107; Pentzer Financial Services—107; ITRON—1,000; and Graphic Communications, Inc.—696.

(6) The dollar value of 4,000 shares of Company Common Stock received as a long-term incentive payout under the CEO Incentive Stock Plan.

(7) Amount received from Pentzer Corporation as long-term incentive compensation in connection with the performance and subsequent sale of Pentzer Energy Services, Inc..

(8) Includes total employer contributions under both the Executive Deferral Plan and the Investment and Employee Stock Ownership Plan (401(k) plan), pursuant to which the Company matches 75% of each executive officer's deferral up to 6% of salary. Also includes payments for unused, paid time-off accrued under the Company's One-Leave Program. Amounts under the deferral plan for 1993 were: Redmond—$15,629; Harvey—$5,989; Bryan—$1,306; Eliassen—$2,794; Fukai—$1,368.
The amount under the 401(k) plan for 1993 for each of the above-named persons was $6,746, except for Mr. Bryan, which was $6,043. The amount under the One-Leave Program for 1993 was: Fukai $21,061 (280 hours); other named executive officers—$0. Also includes ITRON director fees of $6,000 for Mr. Redmond and ITRON director fees of $5,400 for Mr. Eliassen.

(9) From Pentzer Energy Services, Inc.

(10) Distributed 50% in the form of Company Common Stock and 50% in cash pursuant to the annual incentive component of the Executive Incentive Compensation Plan. In the case of Mr. Redmond, any distributions made are pursuant to the CEO Incentive Stock Plan effective January 1992.

1994

• Acquired retail electric properties in Sandpoint, Idaho — an addition of 9,800 electric customers.

• Successful negotiation of proposed merger with Sierra Pacific Resources. Shareholders overwhelmingly approved the proposed merger.

• Construction completed on 176-megawatt natural gas-fired turbine project in Rathdrum, Idaho. Project completed on schedule and under budget.

• Pentzer Corporation, the Company's wholly owned private investment firm, made two additional nonutility acquisitions — The Form House, Inc., and Safety Speed Cut Mfg. Co., Inc. Subsidiary operations earned $13.6 million and contributed 25 cents, or 20 percent, to overall corporate earnings per share.

• Despite the year-long challenges of mild weather and low streamflows, aggressive cost management and other efforts resulted in corporate earnings per share of $1.28.

• The Company continued to maintain its competitive edge and remains one of the nation's lowest-cost energy providers, positioning the Company for the future.

Executive Incentive Compensation Plan

This plan provided the opportunity in 1994 for executive officers (other than Mr. Redmond who was covered by the CEO Incentive Stock Plan) to earn both annual and long-term incentives in addition to their salaries. The Compensation Committee each year establishes the target amounts as a specified percentage of the executive officer's salary. For 1994, such percentages ranged from 35% to 40%. In the event that individual and corporate goals (as more fully described under Annual Incentives and Long-Term Incentives) are achieved, an executive officer may be entitled to receive the full award and, in the event that individual performance goals have been exceeded, an executive officer may be entitled to receive up to 150% of such targeted percentage. The Committee believes that having as much as 40% of an executive officer's total compensation at risk also fosters achievement of the Company's short-term and long-term financial performance goals as set forth below.

Annual Incentives. Each year, the Committee establishes short-term financial goals which relate to one or more indicators of corporate financial performance. Incentive awards are paid to participating executives under the Executive Incentive Compensation Plan only when the pre-designated financial goals are achieved. For 1994, the short-term incentive award opportunity was contingent upon attaining a pre-specified level of utility earnings per share. In addition, a portion of the executives' incentive opportunities was contingent upon meeting individual performance goals established for each executive.

Payouts under the Executive Incentive Compensation Plan are made 50% in cash and 50% in Company Common Stock. The Committee believes that payment of a portion of the short-term incentive opportunity in the form of Company Common Stock helps strike a balance between the focus of executives on short-term and long-term corporate financial results.

Short-term incentive payments, if any, are reflected in the Summary Compensation Table under the column entitled "Bonus." No short-term incentives were paid under the plan in 1994 since the utility earnings per share goal was not achieved.

Long-Term Incentives. Each year, the Committee establishes a long-term financial performance goal which must be achieved in order for executives to receive the targeted payout. This long-term financial goal is based upon increases in the value of shareholders' interests in the Company's Common Stock, measured against the median performance of the stocks of a peer group of electric and combination (electric and natural gas) utilities approved by the Board of Directors. For 1994, this peer group consisted of about 100 utilities all of which are included in the EEI Index used in the Performance Graph. The Committee has utilized this group of publicly traded utilities since 1987 for purposes of comparison in establishing and measuring results for the long-term incentive plan. Shareholder value is measured over a three-year period and is calculated by adding cash dividends and stock price appreciation over the performance period. For the three-year period ended 1994, the goal was to be within 90 to 110% of the peer group.

The long-term performance focus is further encouraged through the payout of 50% of the awards under the Executive Incentive Compensation Plan in the form of Company Common Stock. Also, a portion of the executives' incentive opportunities are contingent upon meeting individual performance goals established for each executive.

Long-term incentive payments, if any, are reflected in the Summary Compensation Table under the column entitled "Long-Term Incentive Payouts." No long-term incentives were paid to executive officers under the plan for 1994 since the shareholder value goal was not achieved.

CEO Incentive Stock Plan

Mr. Redmond's incentive award under the CEO Incentive Stock Plan is based upon the degree of achievement of specific strategic corporate performance goals established by the Board of Directors. Mr. Redmond's award opportunity was established in 1992 and was based upon the attainment of pre-specified levels of annual corporate (utility and nonutility) earnings per share. The use of both utility and nonutility earnings per share reflects Mr. Redmond's responsibility for the utility as well as for the diverse nonutility subsidiary operations. Under the plan, Mr. Redmond would be granted 2,000 shares of Company Common Stock when annual earnings per share first equals or exceeds $1.38. For each additional 5 cents of annual corporate earnings per share attained for the first time, Mr. Redmond would be granted an additional 2,000 shares of Company Common Stock. When annual corporate earnings per share of $1.65 or greater are attained for the first time, Mr. Redmond would receive an additional grant of 22,000 shares of Company Common Stock. Long-term incentive payments under this plan, if any, are reflected in the Summary Compensation Table under "Long-Term Incentive Payouts." In 1993, corporate earnings per share reached $1.44 and, therefore, Mr. Redmond was granted 4,000 shares of Company Common Stock. No payout was made to Mr. Redmond under this plan for 1994 because corporate earnings per share did not reach $1.48, the next target before any additional award can be made under this plan.

The Committee believes that the CEO Incentive Stock Plan provides an appropriate incentive for the achievement of challenging financial goals. The Committee further believes that the CEO Incentive Stock Plan provides a proper balance between short-term financial goals and long-term corporate goals by providing for payout of awards to Mr. Redmond entirely in the form of Company Common Stock.

Compensation from Subsidiaries

Mr. Redmond serves as Chairman of the Board of Pentzer Corporation, the Company's wholly owned private investment firm and the holding company for the majority of the Company's indirect subsidiaries. As reflected in the Summary Compensation Table, in 1994, the Board of Directors of Pentzer Corporation unanimously approved long-term incentive payouts to reward Mr. Redmond for his significant long-term contribution to the development and success of Pentzer's affiliate, Itron, Inc., and its former affiliate Itronix, Inc., culminating in a successful initial public offering of Itron Common Stock shares and the sale of Itronix. Mr. Redmond has been Chairman of the Board of Itron since 1984.

Mr. Redmond also received option grants from certain subsidiaries of the Company during 1994, which are also shown in the Summary Compensation Table and the Option Tables. These grants were made by the boards of directors of the subsidiaries pursuant to various subsidiary incentive plans.

None of the awards mentioned above were made by or subject to approval of the Compensation Committee of the Board of Directors of the Company.

Summary

Each year, the Committee reviews all elements of cash and non-cash compensation paid to all executive officers of the Company. The Committee manages all elements of executive pay in order to ensure that

1994

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Annual Compensation(1) Salary($) Utility(2)	Salary($) Nonutility	Total Salary($)	Bonus($) Utility(2)	Bonus($) Nonutility	Total Bonus($)	Long-Term Compensation(1) Awards Restricted Stock Awards($)	Awards Securities Underlying Options/SARs(#)	Payouts Long-Term Incentive Payouts($) Utility(2)	Long-Term Incentive Payouts($) Nonutility	Total Long-Term Incentive Payouts($)	All Other Comp.($)(9)
P.A. Redmond	1994	$338,767	$159,975	$498,742					26,695(11)		$828,661(7)	$828,661	$36,992
Chairman of the Board,	1993	$213,518	$270,649	$484,167		$286,815(3)	$286,815	$1,952(4)	43,975(5)	$70,950(6)	$385,161(8)	$456,111	$28,375
President & Chief Executive Officer	1992	$311,294	$149,123	$460,417									$17,959
W.L. Bryan	1994	$176,976		$176,976									$ 7,127
Senior Vice President	1993	$171,819		$171,819		$ 20,699(10)	$ 20,699						$ 7,349
Rates & Resources	1992	$161,725		$161,725									$ 8,483
J.E. Eliassen	1994	$144,462	$ 32,514	$176,976					3,414(11)				$29,643
Vice President Finance &	1993	$142,564	$ 29,255	$171,819				$1,952(4)	2,606(5)				$14,940
Chief Financial Officer	1992	$160,232	$ 7,823	$168,055									$35,398
R.D. Fukai	1994	$160,886		$160,886									$19,647
Vice President Corporate	1993	$156,197		$156,197									$29,175
Services, Human Resources & Marketing	1992	$152,776		$152,776									$18,891
N.J. Racicot	1994	$157,752		$157,752									$12,460
Vice President	1993	$128,262		$128,262									$ 8,885
Operations	1992	$106,509		$106,509									$ 4,669

1994

Notes to Summary Compensation Table:

(1) Includes any amounts deferred pursuant to the Executive Deferral Plan. This plan allows executive officers the opportunity to defer until their retirement or until their earlier termination, disability or death, up to 75% of their base salary and/or up to 100% of any cash awarded under the provisions of the Executive Incentive Compensation Plan. Deferred compensation is credited with interest at a nonpreferential rate.

(2) Only compensation charged to utility operations is recovered as an expense for ratemaking purposes.

(3) Amount received from Pentzer Corporation, the Company's wholly owned private investment firm, as a bonus in connection with the sale of Northwest Telecommunications, Inc.

(4) Mr. Redmond and Mr. Eliassen, as outside directors of Pentzer Corporation, were each granted (i) on December 31, 1992, 642 shares of restricted stock of Pentzer Jefferson Corp. and (ii) on February 26, 1993, 642 shares of restricted stock of Pentzer Financial Services Corporation. The restricted stock vests at the end of three years; vesting can be accelerated upon death, disability or change in control. No dividends are payable. Under certain circumstances, Messrs. Redmond and Eliassen can require the issuers to repurchase the stock at adjusted book value at the time of such repurchase. As of December 31, 1994, Messrs. Eliassen and Redmond each held a total of 1,284 shares of restricted stock (642 shares — Pentzer Jefferson Corp. and 642 shares — Pentzer Financial Services Corporation) valued at $4,879. No other named executive officers own any restricted stock.

(5) Option grants to Mr. Redmond received as a director of certain of the Company's indirect subsidiaries: Imfax — 10,442; Pentzer Financial Services — 10,733; Pentzer Jefferson Corp. — 11,358; Itron — 1,000 and Graphic Communications, Inc. — 10,442.
Option grants to Mr. Eliassen received as a director of certain of the Company's indirect subsidiaries; Imfax — 696; Pentzer Jefferson Corp. — 107; Pentzer Financial Services — 107; Itron — 1,000; and Graphic Communications, Inc. — 696.

(6) The dollar value of 4,000 shares of Company Common Stock received as a long-term incentive payout under the CEO Incentive Stock Plan.

(7) Amount received from Pentzer Corporation as long-term incentive compensation in connection with the performance and sale of Common Stock of Itron, Inc., and its former affiliate, Itronix, Inc.

(8) Amount received from Pentzer Corporation as long-term incentive compensation in connection with the performance and subsequent sale of Pentzer Energy Services, Inc.

(9) Includes employer contributions under both the Executive Deferral Plan and the Investment and Employee Stock Ownership Plan (401(k) plan), pursuant to which the Company matches 75% of each executive officer's deferral up to 6% of salary. Also includes payments for unused, paid time-off accrued under the Company's One-Leave Program.
Amounts for 1994 under the deferral plan were: Redmond — $15,042; Bryan — $1,689; Eliassen — $986; Fukai — $1,231; Racicot — $893. Amounts for 1994 under the 401(k) plan were: Redmond — $6,750; Bryan — $5,438; Eliassen — $6,750; Fukai — $6,750; Racicot — $5,809. Amounts for 1994 under the One-Leave Program were: Redmond — $0; Bryan — $0; Eliassen — $4,107 (48 hrs.); Fukai — $11,666 (150 hrs.); Racicot — $5,758 (80 hrs.). Includes 1994 Itron director fees for Redmond of $15,200 and Eliassen of $17,800.

(10) From Pentzer Energy Services, Inc.

(11) Option grants to Mr. Redmond received as a director of certain of the Company's indirect subsidiaries: The Form House, Inc. — 12,195; Safety Speed Cut Mfg. Co., Inc. — 12,500; and Itron, Inc. — 2,000.
Option grants to Mr. Eliassen received as a director of certain of the Company's indirect subsidiaries: Form House — 700; Safety Speed Cut — 714; and Itron — 2,000.

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specific data for certain Northwest utilities, and general industry data to provide a broad base of information in light of the diversity of the Company's subsidiaries. Mr. Redmond's responsibilities not only include both electric and gas utility operations but also include subsidiary operations of a diverse nature, such as manufacturing of electronic data collection, real estate development, financial services, and manufacturing of retail advertising displays. In addition, the Company operates in several states, thereby requiring quality relationships and interaction with multiple regulatory commissions and public policy leaders. Mr. Redmond has served as CEO of the Company since 1984 and as Chairman and CEO since 1985. In addition, he was reappointed President in February 1994. The Committee and the entire Board of Directors recognize and highly value Mr. Redmond's visionary leadership, breadth of knowledge, complex business and utility experience, and outstanding performance, all of which continue to contribute significantly to the combined long-term success of the Company and its many subsidiaries (direct and indirect).

Under Mr. Redmond's leadership, the Company achieved a number of corporate and financial goals in 1995:

- Earnings per share grew by 10 percent to $1.41.
- The Common Stock price rose to $17.50, a 27 percent improvement; book value per share and return on common equity grew by 3 percent and 7 percent, respectively.
- Residential and commercial electric revenues increased by a combined $18.8 million and nearly 16,500 customers were added.
- Wholesale electric revenues increased $17.8 million, or 20 percent.
- Pentzer Corporation made two additional acquisitions — The Decker Co. Inc., and Advanced Manufacturing and Development. Subsidiary operations generated $15 million in net income (an 8 percent improvement) and contributed 27 cents (or 19 percent) to overall corporate earnings per share.
- Washington Water Power continued to maintain its competitive edge as one of the nation's lowest-cost providers of energy, thereby positioning the Company to capture future opportunities.

Executive Incentive Compensation Plan

This plan provided the opportunity in 1995 for executive officers including Mr. Redmond to earn annual incentives in addition to their salaries. Mr. Redmond was included in this plan in 1995 since the CEO Incentive Stock Plan was terminated as noted below under "CEO Incentive Stock Plan." The Compensation Committee each year establishes the target amounts as a specified percentage of the executive officer's salary. For 1995, such percentages ranged from 35% to 40% for executive officers and 50% for Mr. Redmond. In the event that various goals (as more fully described under Annual Incentives) are achieved, an executive officer may be entitled to receive the full award and, in the event that certain performance goals have been exceeded, an executive officer may be entitled to receive up to 150% of such targeted percentage. The Committee believes that having as much as 50% of an executive officer's total compensation at risk fosters achievement of the Company's financial performance goals.

Annual Incentives. Each year, the Committee establishes short-term financial goals which relate to one or more indicators of corporate financial performance. Generally, incentive awards are paid to participating executives under the Executive Incentive Compensation Plan only when the pre-designated financial goals and the individual performance goals are achieved. Because the merger was expected to be consummated during 1995, the Committee did not establish formal corporate financial goals for a performance period which was expected to be less than one year, but instead based the annual incentive award upon the overall financial performance of the Company and the individual performance of each executive. In reviewing the Company's overall financial performance, the Committee considered such corporate performance measures as earnings per share growth, internal cash generation, share price appreciation, return on common equity, book value, dividend payout ratio, and cost management. The evaluation of each executive included a determination of factors including sustained performance of each executive's individual accountabilities, the impact of such individual performance on the business results of the Company, effective leadership of transition efforts, the level of the executive's responsibility, business judgment, technical

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expertise, management skills, and strategic direction. The relative importance of each of these factors was discretionary on the part of the Committee, and no particular formulas or weights were applied. Based on this assessment process, the executive officers and Mr. Redmond received the maximum award.

Payouts under the Executive Incentive Compensation Plan are normally made 50% in cash and 50% in Company Common Stock, consistent with the philosophy of the Committee that payment of a portion of the short-term incentive opportunity in the form of Company Common Stock helps strike a balance between the focus of executives on short-term and long-term corporate financial results. Nevertheless, because executive officers who would have otherwise received stock as compensation within six months prior to the effective date of the merger could have been subject to adverse consequences under the federal securities laws, stock could not be granted for 1995 performance and all incentive awards for 1995 were paid in cash. The amounts are reflected in the Summary Compensation Table under the column entitled "Bonus."

Long-Term Incentives. No long-term goals were established for 1995 because it was assumed the merger would close before year-end.

CEO Incentive Stock Plan

Since the CEO Incentive Stock Plan was a stock-only plan and stock could not be paid to Mr. Redmond in light of the pending merger, as discussed above, the CEO Incentive Stock Plan was terminated by the Board of Directors and Mr. Redmond received no award thereunder.

Compensation from Subsidiaries

Mr. Redmond serves as Chairman of the Board of Pentzer Corporation, the Company's wholly owned private investment firm and the holding company for the majority of the Company's indirect subsidiaries. Since 1984, Mr. Redmond has also been Chairman of the Board of ITRON, in which Pentzer has a 9 percent investment. As reflected in the Summary Compensation Table, the Board of Directors of Pentzer Corporation, in 1995, unanimously approved a long-term incentive payout to reward Mr. Redmond for his significant long-term contribution to the development and success of ITRON and, specifically, in connection with the sale and performance of ITRON common stock.

During 1995, Mr. Redmond also received option grants from ITRON and The Decker Co. Inc., an indirect subsidiary of the Company, which grants are also shown in the Summary Compensation Table and the Option Tables. These grants were made by the boards of directors of these companies pursuant to their respective incentive plans.

None of the awards mentioned above were made by or subject to approval of the Compensation Committee of the Board of Directors of the Company.

Summary

Each year, the Committee reviews all elements of cash and non-cash compensation paid to executive officers of the Company. The Committee manages all elements of executive pay in order to ensure that overall pay levels are consistent with those provided to similarly situated executives at the Company's competitors; however, depending on variables, such as meeting performance objectives for incentive plans, the Company's executive officers' total compensation could be equal to the median total pay for other executive officers one year, below another year, and above another year. The Committee reviews other companies' total compensation as reflected in survey data. The target for total compensation, generally, is at the median of that paid by other utilities. Finally, the Committee administers the Company's executive compensation plans to foster the Company's objectives of linking executive pay to improved Company financial performance and increased shareholder value.

Members of the Compensation Committee

David A. Clack   Duane B. Hagadone   Robert S. Jepson, Jr.
General H. Norman Schwarzkopf   Larry A. Stanley

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SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Annual Compensation(1): Salary($) Utility(2)	Salary($) Nonutility	Total Salary($)	Bonus($) Utility(2)	Bonus($) Nonutility	Total Bonus($)	Long-Term Compensation(1): Awards($) Restricted Stock Awards	Awards($) Securities Underlying Options/SARs(#)	Payouts: Long-Term Incentive Payouts($) Utility(2)	Long-Term Incentive Payouts($) Nonutility	Total Long-Term Incentive Payouts ($)	All Other Comp.($)(9)
P.A. Redmond	1995	$376,590	$135,352	$511,942	$283,589	$101,931	$385,520(12)		25,000(13)		$236,805(7)	$236,805	$41,063
Chairman of the Board,	1994	$338,767	$159,975	$498,742					26,695(11)		$828,661(7)	$828,661	$36,992
President & Chief	1993	$213,518	$270,649	$484,167		$286,815(3)	$286,815	$1,952(4)	43,975(5)	$70,950(6)	$385,161(8)	$456,111	$28,375
Executive Officer													
W.L. Bryan	1995	$181,659		$181,659	$109,440		$109,440(12)						$ 6,053
Senior Vice President	1994	$176,976		$176,976									$ 7,127
Rates & Resources	1993	$171,819		$171,819		$ 20,699(10)	$ 20,699						$ 7,349
J.E. Eliassen	1995	$147,407	$ 34,252	$181,659	$ 88,800	$ 20,640	$109,440(12)		10,857(13)				$56,054
Vice President Finance &	1994	$144,462	$ 32,514	$176,976					3,414(11)				$29,643
Chief Financial Officer	1993	$142,564	$ 29,255	$171,819				$1,952(4)	2,606(5)				$14,940
R.D. Fukai	1995	$165,142		$165,142	$ 87,053		$ 87,053(12)						$13,963
Vice President Corporate	1994	$160,886		$160,886									$19,647
Services, Human Resources	1993	$156,197		$156,197									$29,175
& Marketing													
N.J. Racicot	1995	$165,142		$165,142	$ 87,053		$ 87,053(12)						$13,683
Vice President	1994	$157,752		$157,752									$12,460
Operations	1993	$128,262		$128,262									$ 8,885

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Notes to Summary Compensation Table:

(1) Includes any amounts deferred pursuant to the Executive Deferral Plan. This plan allows executive officers the opportunity to defer until their retirement or until their earlier termination, disability or death, up to 75% of their base salary and/or up to 100% of any cash awarded under the provisions of the Executive Incentive Compensation Plan. Accumulated deferred compensation is credited with earnings at a nonpreferential rate.

(2) Only compensation charged to utility operations is recovered as an expense for ratemaking purposes.

(3) Amount received from Pentzer Corporation as a bonus in connection with the sale of Northwest Telecommunications, Inc.

(4) Messrs. Redmond and Eliassen, as directors of Pentzer Corporation, were each granted (i) on December 31, 1992, 642 shares of restricted stock of Pentzer Jefferson Corp. and (ii) on February 26, 1993, 642 shares of restricted stock of Pentzer Financial Services Corporation. The restricted stock vests at the end of three years; vesting can be accelerated upon death, disability or change in control. No dividends are payable. Under certain circumstances, Messrs. Redmond and Eliassen can require the issuers to repurchase the stock at adjusted book value at the time of such repurchase. The Pentzer Jefferson restricted stock vested on December 31, 1995. As of December 31, 1995, Messrs. Redmond and Eliassen each held a total of 642 shares of restricted stock of Pentzer Financial Services valued at $7,505. No other named executive officers own any restricted stock.

(5) Option grants to Mr. Redmond received as a director of ITRON and of certain of the Company's indirect subsidiaries: Imfax — 10,442; Pentzer Financial Services — 10,733; Pentzer Jefferson Corp. — 11,358; ITRON — 1,000 and Graphic Communications, Inc. — 10,442. Option grants to Mr. Eliassen received as a director of ITRON and of certain of the Company's indirect subsidiaries: Imfax — 696; Pentzer Jefferson Corp. — 107; Pentzer Financial Services — 107; ITRON — 1,000; and Graphic Communications, Inc. — 696.

(6) The dollar value of 4,000 shares of Company Common Stock received as a long-term incentive payout under the CEO Incentive Stock Plan.

(7) Amount received from Pentzer Corporation as long-term incentive compensation in connection with the performance and sale of common stock of ITRON.

(8) Amount received from Pentzer Corporation as long-term incentive compensation in connection with the performance and subsequent sale of Pentzer Energy Services, Inc.

(9) Includes employer contributions under both the Executive Deferral Plan and the Investment and Employee Stock Ownership Plan (401(k) plan), pursuant to which the Company matches 75% of each executive officer's deferral up to 6% of salary. Also includes payments for unused, paid time-off accrued under the Company's One-Leave Program. Amounts for 1995 under the deferral plan were: Redmond — $15,513; Bryan — $2,025; Eliassen $1,219; Fukai — $835; Racicot — $1,744. Amounts for 1995 under the 401(k) plan were: Redmond $6,750; Bryan — $4,028; Eliassen — $6,750; Fukai — $6,750; Racicot — $5,561. Amounts for 1995 under the One-Leave Program were: Redmond — $0; Bryan — $0; Eliassen — $27,185 (310 hrs.); Fukai — $6,378 (80 hrs.); Racicot — $6,378 (80 hrs.). Includes 1995 ITRON director fees for Redmond of $18,800 and Eliassen of $20,900.

(10) From Pentzer Energy Services, Inc.

(11) Option grants to Mr. Redmond received as a director of ITRON and of certain of the Company's indirect subsidiaries: The Form House, Inc. — 12,195; Safety Speed Cut Mfg. Co., Inc. — 12,500; and ITRON — 2,000. Option grants to Mr. Eliassen received as a director of ITRON and of certain of the Company's indirect subsidiaries: The Form House — 700; Safety Speed Cut — 714; and ITRON — 2,000.

(12) Amount received under the Executive Incentive Compensation Plan for 1995 performance.

(13) Option grants to Mr. Redmond received as a director of ITRON and of The Decker Co. Inc., an indirect subsidiary of the Company: ITRON — 10,000; and Decker — 15,000. Option grants to Mr. Eliassen received as a director of ITRON and of Decker: ITRON — 10,000; and Decker — 857.

commissions and public policy leaders. Mr. Redmond has served as CEO of the Company since 1984 and as Chairman and CEO since 1985. Under Mr. Redmond's leadership during 1996, the Company achieved a number of corporate and financial goals as previously discussed. The Committee and the entire Board of Directors recognize and highly value Mr. Redmond's visionary leadership, breadth of knowledge, complex business and utility experience, and outstanding performance, all of which continue to contribute significantly to the combined long-term success of the Company and its many subsidiaries (direct and indirect).

Executive Incentive Compensation Plan

This plan provided the opportunity in 1996 for executive officers including Mr. Redmond to earn annual incentives in addition to their salaries. The Compensation Committee each year establishes the target amounts as a specified percentage of the executive officer's salary. For 1996, such percentages ranged from 35% to 40% for executive officers and 50% for Mr. Redmond. In the event that various goals (as more fully described under Annual Incentives) are achieved, an executive officer may be entitled to receive the full award and, in the event that certain performance goals have been exceeded, an executive officer may be entitled to receive up to 150% of such targeted percentage. The Committee believes that having as much as 50% of an executive officer's total compensation at risk fosters achievement of the Company's financial performance goals.

Annual Incentives. Each year, the Committee establishes short-term financial goals which relate to one or more indicators of corporate financial performance. Generally, incentive awards are paid to participating executives under the Executive Incentive Compensation Plan only when the pre-designated financial goals and the individual performance goals are achieved. Because the merger was expected to be consummated during 1996, the Committee did not establish formal corporate financial goals for a performance period which was expected to be less than one year, but instead based the annual incentive award upon the overall financial performance of the Company and the individual performance of each executive. In reviewing the Company's overall financial performance, the Committee considered such corporate performance measures as earnings per share growth, internal cash generation, share price appreciation, return on common equity, book value, dividend payout ratio, and cost management. The evaluation of each executive included a determination of factors including sustained performance of each executive's individual accountabilities, the impact of such individual performance on the business results of the Company, effective leadership, the level of the executive's responsibility, business judgment, technical expertise, management skills, and strategic direction. The relative importance of each of these factors was discretionary on the part of the Committee, and no particular formulas or weights were applied. Based on this assessment process, the executive officers and Mr. Redmond received the maximum award.

Payouts under the Executive Incentive Compensation Plan are normally made 50% in cash and 50% in Company Common Stock, consistent with the philosophy of the Committee that payment of a portion of the short-term incentive opportunity in the form of Company Common Stock helps strike a balance between the focus of executives on short-term and long-term corporate financial results. Nevertheless, because executive officers who would have otherwise received stock as compensation within six months prior to the effective date of the merger could have been subject to adverse consequences under the federal securities laws, stock could not be granted for 1996 performance and all incentive awards for 1996 were paid in cash. The amounts are reflected in the Summary Compensation Table under the column entitled "Bonus."

Long-Term Incentives. No long-term goals were established for 1996 because it was assumed the merger would close before year-end.

Compensation from Subsidiaries

Mr. Redmond serves as Chairman of the Board of Pentzer Corporation, the Company's wholly owned private investment firm. Since 1984, Mr. Redmond has also been Chairman of the Board of ITRON, in

1996

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Annual Compensation (1): Salary ($) Utility (2)	Annual Compensation (1): Salary ($) Nonutility	Annual Compensation (1): Total Salary ($)	Annual Compensation (1): Bonus ($) Utility (2)	Annual Compensation (1): Bonus ($) Nonutility	Annual Compensation (1): Total Bonus ($)	Long-Term Compensation (1): Awards: Restricted Stock Awards ($)	Long-Term Compensation (1): Awards: Securities Underlying Options/SARs (#)	Long-Term Compensation (1): Payouts: Long-Term Incentive Payouts ($) Utility (2)	Long-Term Compensation (1): Payouts: Long-Term Incentive Payouts ($) Nonutility	Long-Term Compensation (1): Total Long-Term Incentive Payouts ($)	All Other Comp. ($)(9)
P.A. Redmond	1996	$382,545	$137,702	$520,247	$294,813	$106,129	$400,942(3)		29,784(4)		$448,847(7)	$448,847	$41,837
Chairman of the	1995	$376,590	$135,352	$511,942	$283,589	$101,931	$385,520(3)		25,000(5)		$236,805(8)	$236,805	$41,063
Board & Chief	1994	$338,767	$159,975	$498,742					26,695(6)		$828,661(8)	$828,661	$36,992
Executive Officer													
W.L. Bryan	1996	$193,104	$ 18,709	$211,813	$136,031	$ 13,175	$149,206(3)						$10,897
President & Chief	1995	$181,659		$181,659	$109,440		$109,440(3)						$ 6,053
Operating Officer	1994	$176,976		$176,976									$ 7,127
J.E. Eliassen	1996	$150,999	$ 33,698	$184,697	$ 93,120	$ 20,774	$113,894(3)		3,587(4)				$38,618
Senior Vice President &	1995	$147,407	$ 34,252	$181,659	$ 88,800	$ 20,640	$109,440(3)		10,857(5)				$56,054
Chief Financial Officer	1994	$144,462	$ 32,514	$176,976					3,414(6)				$29,643
N.J. Racicot	1996	$174,151		$174,151	$100,313		$100,313(3)						$15,540
Senior Vice President &	1995	$165,142		$165,142	$ 87,053		$ 87,053(3)						$13,683
General Manager Energy	1994	$157,752		$157,752									$12,460
Delivery													
R.D. Fukai	1996	$170,537		$170,537	$ 92,188		$ 92,188(3)						$20,984
Vice President	1995	$165,142		$165,142	$ 87,053		$ 87,053(3)						$13,963
External Relations	1994	$160,886		$160,886									$19,647

1996

Notes to Summary Compensation Table:

(1) Includes any amounts deferred pursuant to the Executive Deferral Plan. This plan allows executive officers the opportunity to defer until their retirement or until their earlier termination, disability or death, up to 75% of their base salary and/or up to 100% of any cash awarded under the provisions of the Executive Incentive Compensation Plan. Accumulated deferred compensation is credited with earnings at a non-preferential rate.

(2) Only compensation charged to utility operations is recovered as an expense for ratemaking purposes.

(3) Amounts received under the Executive Incentive Compensation Plan for 1995 and 1996 performance.

(4) Option grants to Mr. Redmond received as a director of certain of the Company's indirect subsidiaries: ITRON—2,000; F.O. Phoenix, Inc.—15,000; Bay Area Manufacturing Co., Inc.—12,784.

Option grants to Mr. Eliassen received as a director of certain of the Company's indirect subsidiaries: ITRON—2,000; F.O. Phoenix, Inc.—857; Bay Area Manufacturing Co., Inc.—730.

(5) Option grants to Mr. Redmond received as a director of certain of the Company's indirect subsidiaries: ITRON—10,000; and The Decker Co. Inc.—15,000.

Option grants to Mr. Eliassen received as a director of certain of the Company's indirect subsidiaries: ITRON—10,000; and The Decker Co. Inc.—857.

(6) Option grants to Mr. Redmond received as a director of certain of the Company's indirect subsidiaries: The Form House, Inc.—12,195; Safety Speed Cut Mfg. Co., Inc.—12,500; and ITRON—2,000.

Option grants to Mr. Eliassen received as a director of certain of the Company's indirect subsidiaries: The Form House—700; Safety Speed Cut—714; and ITRON—2,000.

(7) Amount received from Pentzer Corporation as long-term incentive compensation in connection with the performance and sale of Itron common stock and the development and ultimate sale of Spokane Industrial Park.

(8) Amount received from Pentzer Corporation as long-term incentive compensation in connection with the performance and sale of Itron common stock.

(9) Includes employer contributions under both the Executive Deferral Plan and the Investment and Employee Stock Ownership Plan (401(k) plan), pursuant to which the Company matches 75% of each executive officer's deferral up to 6% of salary. Also includes payments for unused, paid time-off accrued under the Company's One-Leave Program. Amounts for 1996 under the Deferral Plan were: Redmond—$16,287; Bryan—$4,147; Eliassen $2,648; Racicot—$2,157; Fukai—$968. Amounts for 1996 under the 401(k) plan were: Redmond $6,750; Bryan—$6,750; Eliassen—$6,750; Racicot—$6,750; Fukai—$6,750. Amounts for 1996 under the One-Leave Program were: Redmond—$0; Bryan—$0; Eliassen—$9,120 (100 hrs.); Racicot—$6,633 (80 hrs.); Fukai—$13,266 (160 hrs.). Includes 1996 ITRON director fees for Redmond of $18,800 and Eliassen of $20,100.

and other industries, internal pay equity considerations, level of responsibilities and job complexity, prior experience, breadth of knowledge, and job performance, including the Committee's subjective judgment as to individual contribution. The Committee considers some or all of these factors as it deems appropriate; there are no formal weightings given to any factor. Effective March 1, 1997, the Committee granted all executive officers a 4% base salary increase.

With respect to the Chief Executive Officer's compensation in 1997, the Committee determined that a 4% increase in base salary for Mr. Redmond was also appropriate. Mr. Redmond's responsibilities not only include electric and gas utility operations but also include subsidiary operations of a diverse nature, such as energy trading, energy products and services, financial services, consumer product promotion, and manufacturing. In addition, the Company operates in several states, thereby requiring quality relationships and interaction with multiple regulatory commissions and public policy leaders. Mr. Redmond has served as CEO of the Company since 1984 and as Chairman and CEO since 1985. The Committee and the entire Board of Directors recognize and highly value Mr. Redmond's visionary leadership, breadth of knowledge, complex business and utility experience, and outstanding performance, all of which continue to contribute significantly to the combined long-term success of the Company and its many subsidiaries (direct and indirect).

Annual Incentive Compensation

The Executive Incentive Compensation Plan provided the opportunity in 1997 for executive officers including Mr. Redmond to earn annual incentives in addition to their salaries. The Committee each year establishes the target amounts as a specified percentage of the executive officer's salary. For 1997, such percentages ranged from 35% to 40% for certain executive officers and 50% for Mr. Redmond and Mr. Bryan. In the event that various goals are achieved, an executive officer may be entitled to receive the full award and, in the event that certain performance goals have been exceeded, an executive officer may be entitled to receive up to 150% of such targeted percentage.

Each year, the Committee establishes short-term financial goals which relate to one or more indicators of corporate financial performance. In 1997, the Committee approved an earnings per share target which, if met, would fund a pool for executive officer incentives. However, achievement of predetermined initiatives and individual performance determined individual award levels. Awards, if made, were designated in the form of Company Common Stock consistent with the Committee's philosophy that payment in Common Stock helps strike the balance between the focus of executives on short-term and long-term corporate results. The earnings per share target was not met in 1997. Therefore, consistent with the pay for performance philosophy, no awards under the Executive Incentive Compensation Plan were paid.

Compensation from Subsidiaries

Mr. Redmond serves as Chairman of the Board of Pentzer Corporation, the Company's wholly-owned private investment firm. As reflected in the Summary Compensation Table, the Board of Directors of Pentzer Corporation approved a long-term incentive payout to reward Mr. Redmond for his significant long-term contribution to the development and success of ITRON, a company in which Pentzer had previous ownership interest. Specifically, the award was made in connection with the sale of its ITRON Common Stock and the return Pentzer realized on its ITRON investment.

Mr. Redmond also received option grants from certain subsidiaries of the Company during 1997, which are also shown in the Summary Compensation Table and the Option Tables. These grants were approved by the boards of directors of the subsidiaries pursuant to various subsidiary incentive plans.

Members of the Compensation & Benefits Committee

David A. Clack — John F. Kelly
Duane B. Hagadone — Larry A. Stanley

1997

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Annual Compensation(1): Salary($) Utility(2)	Salary($) Nonutility	Total Salary($)	Bonus($) Utility(2)	Bonus($) Nonutility	Total Bonus($)	Long-Term Compensation(1): Awards: Restricted Stock Awards($)	Awards: Securities Underlying Options/SARs(#)	Payouts: Long-Term Incentive Payouts ($) Utility(2)	Payouts: Long-Term Incentive Payouts ($) Nonutility	Total Long-Term Incentive Payouts($)	All Other Comp.($)(10)
P. A. Redmond	1997	$386,281	$165,595	$551,876					41,905(4)		$266,898(7)	$266,898	$67,864
Chairman of the Board &	1996	$382,545	$137,702	$520,247	$294,813	$106,129	$400,942(3)		29,784(5)		$448,847(8)	$448,847	$41,837
Chief Executive Officer	1995	$376,590	$135,352	$511,942	$283,589	$101,931	$385,520(3)		25,000(6)		$236,805(9)	$236,805	$41,063
W. L. Bryan	1997	$224,536	$ 49,025	$273,561									$14,831
President &	1996	$193,104	$ 18,709	$211,813	$136,031	$ 13,175	$149,206(3)						$10,897
Chief Operating Officer	1995	$181,659		$181,659	$109,440		$109,440(3)						$ 6,053
J. E. Eliassen	1997	$139,704	$ 56,434	$196,138					2,287(4)				$37,772
Senior Vice President,	1996	$150,999	$ 33,698	$184,697	$ 93,120	$ 20,774	$113,894(3)		3,587(5)				$38,618
Chief Financial Officer	1995	$147,407	$ 34,252	$181,659	$ 88,800	$ 20,640	$109,440(3)		10,857(6)				$56,054
& Treasurer													
G. G. Ely	1997	$108,913	$ 87,224	$196,137									$11,783
Senior Vice President &	1996	$169,932		$169,932	$ 98,200		$ 98,200(3)						$ 7,823
General Manager—Energy Trading &	1995	$158,534		$158,534	$ 83,572		$ 83,572(3)						$22,389
Market Services													
R. D. Fukai	1997	$185,815		$185,815									$20,034
Vice President—	1996	$170,537		$170,537	$ 92,188		$ 92,188(3)						$20,984
External Relations	1995	$165,142		$165,142	$ 87,053		$ 87,053(3)						$13,963

1997

Notes to Summary Compensation Table:

(1) Includes any amounts deferred pursuant to the Executive Deferral Plan. This plan allows executive officers the opportunity to defer until their retirement or until their earlier termination, disability or death, up to 75% of their base salary and/or up to 100% of any cash awarded under the provisions of the Executive Incentive Compensation Plan. Accumulated deferred compensation is credited with earnings at a non-preferential rate.

(2) Only compensation charged to utility operations is recovered as an expense for ratemaking purposes.

(3) Amounts received under the Executive Incentive Compensation Plan for 1995 and 1996 performance.

(4) Option grants to Mr. Redmond received as a director of certain of the Company's indirect subsidiaries: Proco Holdings Corp.—15,000; Target Woodworks, Inc.—11,905; White Plus, Inc.—15,000.

Option grants to Mr. Eliassen received as a director of certain of the Company's indirect subsidiaries: Proco Holdings Corp.—750; Target Woodworks, Inc.—680; White Plus, Inc.—857.

(5) Option grants to Mr. Redmond received as a director of certain of the Company's indirect subsidiaries: ITRON—2,000; F.O. Phoenix, Inc.—15,000; Bay Area Manufacturing Co., Inc.—12,784.

Option grants to Mr. Eliassen received as a director of certain of the Company's indirect subsidiaries: ITRON—2,000; F.O. Phoenix, Inc.—857; Bay Area Manufacturing Co., Inc.—730.

(6) Option grants to Mr. Redmond received as a director of certain of the Company's indirect subsidiaries: ITRON—10,000; and The Decker Co. Inc.—15,000.

Option grants to Mr. Eliassen received as a director of certain of the Company's indirect subsidiaries: ITRON—10,000; and The Decker Co. Inc.—857.

(7) Amount received from Pentzer Corporation as long-term incentive compensation in connection with the sale of its ITRON common stock and the return Pentzer realized on its ITRON investment.

(8) Amount received from Pentzer Corporation as long-term incentive compensation in connection with the performance and sale of ITRON common stock and the development and ultimate sale of Spokane Industrial Park.

(9) Amount received from Pentzer Corporation as long-term incentive compensation in connection with the performance and sale of ITRON common stock.

(10) Includes employer contributions under both the Executive Deferral Plan and the Investment and Employee Stock Ownership Plan (401(k) plan), pursuant to which the Company matches 75% of each executive officer's deferral up to 6% of the first $160,000 of salary. Also includes payments for unused, paid time-off accrued under the Company's One-Leave Program. Amounts for 1997 under the Deferral Plan were: Redmond—$34,009; Bryan—$7,706; Eliassen—$6,897; Ely—$4,658; Fukai—$5,709. Amounts for 1997 under the 401(k) plan were: Redmond—$7,125; Bryan—$7,125; Eliassen—$7,125; Ely—$7,125; Fukai—$7,125. Amounts for 1997 under the One-Leave Program were: Redmond—$26,730 (100 hrs.); Bryan—$0; Eliassen—$23,750 (250 hrs.); Ely $0; Fukai—$7,200 (80 hrs.).

1998

Section 162(m). And, when consistent with its compensation philosophy and objectives, the Committee intends to structure compensation plans so that all compensation expense is deductible for tax purposes.

Components of Compensation

The Committee believes that executive officer compensation should be closely aligned with the performance of the Company, and that such compensation should assist in attracting and retaining key executives critical to long-term success. To that end, the Committee's philosophy is that the total compensation program should consist of an annual base salary, an annual incentive (the amount of which is dependent on corporate and individual performance) and long-term incentives (i.e., stock options, restricted stock, and performance-based stock opportunities).

The Committee considers but does not target executive officer compensation at the median of similarly situated executives at the Company's competitors. Rather, the Committee believes that its total compensation opportunities for executive officers must provide significant compensation potential to attract and retain executive officers of exceptional talent and skill to further the Company's success as a diversified national energy business.

Base Salary

The Committee reviews each executive officer's base salary at least annually. The factors that influence Committee decisions regarding base salary include: levels of pay among executives in the utility and diversified energy industry, internal pay-equity considerations, level of responsibilities and job complexity, prior experience, breadth of knowledge, and job performance, including the Committee's subjective judgment as to individual contribution. The Committee considers some or all of these factors as appropriate; there are no formal weightings given to any factor. Effective March 1, 1998, based on these factors, the Committee granted executive officers base salary increases that ranged from 3% to 11%.

CEO Compensation

Former Chairman and CEO Paul A. Redmond also received a base salary increase of 3% effective March 1, 1998. Mr. Redmond retired on June 30, 1998. During 1998, he did not receive any corporate incentive awards or stock options in Company Common Stock. He did receive certain compensation from indirect subsidiaries of the Company as reflected in the Summary Compensation Table and in the Indirect Subsidiaries Options Table.

Mr. Matthews became Chairman of the Board and Chief Executive Officer on July 1, 1998. With the retirement of Mr. Bryan, Mr. Matthews also assumed the responsibilities of President. His compensation and benefits were negotiated prior to his joining the Company, and reflect his thirty years of significant experience and leadership in the diversified energy industry, including serving as president of a large energy concern with worldwide operations. Having conducted an exhaustive nine-month search for a new CEO, the Board was confident that Mr. Matthews had the background, skills, global and national experience, and senior leadership ability critical to the future success of the Company. Based on those factors, as well as Mr. Matthews' total compensation and benefits package with his previous firm, the Committee determined (and the full Board concurred) that a comparable compensation package was necessary and appropriate to recruit Mr. Matthews to the Company. Mr. Matthews' annual base salary effective July 1, 1998 was set at $750,000. Under the terms of an employment agreement executed by the Company and Mr. Matthews, he also received certain other cash, non-cash, and stock-based compensation, as set forth in the Summary Compensation Table and as described in this Proxy Statement under "Employment Agreement—T. M. Matthews."

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Annual Incentive Compensation

The 1998 Executive Incentive Compensation Plan provided the opportunity for executive officers to earn an annual incentive based on corporate and individual performance. The Committee established the target amount as a specified percentage of each executive officer's salary. The percentages ranged from 35% to 50% depending on position. In the event that certain corporate and individual performance goals were achieved, an executive officer would have been entitled to receive the full award. In the event that certain performance goals were exceeded, an executive officer would have been entitled to receive up to 150% of such targeted amount.

The Committee establishes performance measures annually. In February 1998, the Committee approved a plan based 50% upon achieving an earnings per share target and 50% upon achieving a relative total shareholder return target which, if met, would fund a pool for executive officer incentives. Actual awards to executives, however, were to be based on achievement of predetermined initiatives and individual performance. Awards, if made, were designated to be in the form of Company Common Stock consistent with the Committee's philosophy that payment in Common Stock helps strike the balance between focus of executives on short-term and long-term corporate results. As a result of various factors, including a significant shift in corporate strategy, as discussed below, the targets established in early 1998 were not met and, therefore, no awards were made to executive officers under the 1998 Executive Incentive Plan.

Subsequent to February 1998, the Board of Directors made certain significant and historical decisions. As mentioned, Mr. Matthews was appointed Chairman and CEO to succeed Mr. Redmond who had led the Company as Chairman and CEO for 13 years. Mr. Matthews is only the fourth person to serve as the Company's Chairman. In August 1998, the Board approved a Common Stock dividend restructuring (dividend reduction and Common Stock exchange offer), a broad corporate refocus, and a company name change. These actions were taken to better position the Company to pursue aggressive growth strategies, strengthen its long-term financial position and, ultimately, provide greater shareholder value. In order to carry forth the Board's strategic vision and implementation of specific initiatives, the total support and focused attention of the executive officers was required. Therefore, in February 1999, the Committee determined (and the full Board concurred) that current executive officers (other than Mr. Matthews) should receive a cash award in recognition of their contributions to those specific efforts. The cash awards to certain of the named executive officers are reflected in the Summary Compensation Table.

Long-Term Incentive Compensation

In May 1998, shareholders approved the Company's Long-Term Incentive Compensation Plan. The primary objective of the Long-Term Incentive Plan is to link management compensation with the long-term interests of shareholders. The Committee establishes a target level of stock options for each executive officer position. The target level is based on competitive data reflecting the estimated median value of the annual long-term compensation opportunity for similar positions in the utility industry. In determining actual stock option grants, the Committee also considers individual performance and the potential contribution to the Company's success. Stock options granted under this plan in 1998 to the named executive officers (other than Mr. Redmond and Mr. Bryan who did not receive grants under the plan) are reflected in the Summary Compensation Table. The stock options were granted at 100% of fair market value, which assures that executives receive a benefit only when the stock price increases.

Members of the Compensation & Organization Committee of the Board of Directors

David A. Clack—Chairman	Larry A. Stanley
John F. Kelly	Daniel J. Zaloudek

1998

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Annual Compensation(1) Salary($) Utility(2)	Salary($) Nonutility	Total Salary($)	Bonus($) Utility(2)	Bonus($) Nonutility	Total Bonus($)	Long-Term Compensation(1) Awards Restricted Stock Awards(7)	Awards Securities Underlying Options(#)	Payouts Long-Term Incentive Payouts($) Utility(2)	Long-Term Incentive Payouts($) Nonutility	Total Long-Term Incentive Payouts($)	All Other Comp.($)
T. M. Matthews .... Chairman of the Board, President & Chief Executive Officer	1998	$219,736	$135,072	$354,808	$150,000		$150,000(3)	$2,000,000(6)	150,000(8)				$1,000,000(16)
P. A. Redmond	1998	$277,746	$ 86,869	$364,615					29,803(9)		$ 31,480(13)	$ 31,480	$ 268,375(15)
Retired Chairman of the	1997	$386,281	$165,595	$551,876					41,905(10)		$266,898(13)	$266,898	$ 67,864
Board & Chief Executive Officer	1996	$382,545	$137,702	$520,247	$294,813	$106,129	$400,942(5)		29,784(11)		$448,847(14)	$448,847	$ 41,837
W. L. Bryan	1998	$206,716	$ 88,592	$295,308									$ 379,100(15)(17)
Retired President & Chief	1997	$224,536	$ 49,025	$273,561									$ 14,831
Operating Officer	1996	$193,104	$ 18,709	$211,813	$136,031	$ 13,175	$149,206(5)						$ 10,897
J. E. Eliassen	1998	$135,892	$ 79,800	$215,692	$ 40,000		$ 40,000(4)		12,500(12)				$ 48,941(15)
Senior Vice President &	1997	$139,704	$ 56,434	$196,138					2,287(10)				$ 37,772
Chief Financial Officer	1996	$150,999	$ 33,698	$184,697	$ 93,120	$ 20,774	$113,894(5)		3,587(11)				$ 38,618
G. G. Ely	1998	$119,103	$ 92,551	$211,654	$ 40,000		$ 40,000(4)		12,500(12)				$ 13,320(15)
Executive Vice President	1997	$108,913	$ 87,224	$196,137									$ 11,783
	1996	$169,932		$169,932	$ 98,200		$ 98,200(5)						$ 7,823
R. D. Fukai	1998	$191,741		$191,741	$ 30,000		$ 30,000(4)		8,100(12)				$ 49,990(15)
Vice President—External	1997	$185,815		$185,815									$ 20,034
Relations	1996	$170,537		$170,537	$ 92,188		$ 92,188(5)						$ 20,984

1998

Notes to Summary Compensation Table:

(1) Includes any amounts deferred pursuant to the Executive Deferral Plan. This plan allows executive officers the opportunity to defer until their retirement or until their earlier termination, disability or death, up to 75% of their base salary and/or up to 100% incentive/bonus cash payments. Accumulated deferred compensation is credited with earnings at a non-preferential rate.

(2) Only compensation charged to utility operations is recovered as an expense for ratemaking purposes.

(3) Cash bonus awarded in accordance with the terms of Matthews' employment agreement.

(4) Cash awards made to certain executive officers as described in the Compensation & Organization Committee Report.

(5) Amounts received under the Executive Incentive Compensation Plan for 1996 performance.

(6) Restricted stock award received in accordance with the terms of Matthews' employment agreement.

(7) As of December 31, 1998, the number and value of total shares of restricted stock held by the named executive officers are: T. M. Matthews (88,398 shares; $1,706,965). Dividends are paid on all restricted Common Stock at the same rate as paid on the Company's Common Stock.

(8) Avista Corp. Common Stock options granted to Matthews in accordance with his employment agreement.

(9) Options to Redmond received as a director of certain indirect subsidiaries: Triangle Systems—14,803; Universal Showcase—15,000.

(10) Options to Redmond received as a director of certain indirect subsidiaries: Proco Holdings Corp.—15,000; Target Woodworks, Inc.—11,905; White Plus, Inc.—15,000.

Options to Eliassen received as a director of certain indirect subsidiaries: Proco Holdings Corp.—750; Target Woodworks, Inc.—680; White Plus, Inc.—857.

(11) Options to Redmond received as a director of certain indirect subsidiaries: ITRON—2,000; F.O. Phoenix, Inc.—15,000; Bay Area Manufacturing Co., Inc.—12,784.

Options to Eliassen received as a director of certain indirect subsidiaries: ITRON—2,000; F.O. Phoenix, Inc.—857; Bay Area Manufacturing Co., Inc.—730.

(12) Avista Corp. Common Stock options.

(13) Amounts received from Pentzer Corporation (a wholly owned subsidiary) as a long-term incentive in connection with the sale of ITRON, Inc., Common Stock and the return Pentzer realized on that investment. Redmond was previously Pentzer Chairman. Pentzer had a previous ownership interest in ITRON, Inc.

(14) Amount received from Pentzer Corporation as a long-term incentive in connection with the sale of ITRON Common Stock and the development and ultimate sale of Spokane Industrial Park.

(15) Includes employer contributions under both the Executive Deferral Plan and the Investment and Employee Stock Ownership Plan (401(k) plan), pursuant to which the Company matches 75% of each executive officer's deferral up to 6% of salary. Also includes payments for unused, paid time-off accrued under the Company's One-Leave Program. Amounts for 1998 under the Deferral Plan were: Matthews—$0; Redmond—$36,955; Bryan—$11,900; Eliassen—$7,895; Ely—$6,120; Fukai—$5,709. Amounts for 1998 under the 401(k) plan were: Matthews—$0; Redmond—$5,426; Bryan—$7,200; Eliassen—$7,200; Ely—$7,200; Fukai—$7,200. Amounts for 1998 under the One-Leave Program were: Matthews—$0; Redmond—$225,994 (821 hrs.); Bryan—$0; Eliassen—$33,846 (320 hrs.); Ely $0; Fukai—$37,081 (400 hrs.).

1998

(16) A signing bonus in accordance with the terms of Matthews' employment agreement.

(17) In connection with Mr. Bryan's retirement and a certain non-compete arrangement for the period October 1998 to December 2002 agreed to between the Company and Mr. Bryan, the Board of Directors approved a one-time payment of $360,000, of which half was payable in January 1999 and half is payable in January 2000.

OPTION GRANTS IN 1998 OF AVISTA CORP.

	Individual Grants				
Name	Number of Securities Underlying Options Granted (#)(1)	% of Total Options Granted to Employees in Fiscal Year	Exercise or Base Price ($/Sh)	Expiration Date	Grant Date Present Value ($)(2)
T. M. Matthews	100,000	17.00%	$22.625	07/01/08	$583,046
	50,000	8.49%	$ 18.63	11/12/08	$281,499
P. A. Redmond	0	N/A	N/A	N/A	N/A
W. L. Bryan	0	N/A	N/A	N/A	N/A
J. E. Eliassen	12,500	2.12%	$ 18.63	11/12/08	$ 70,375
G. G. Ely	12,500	2.12%	$ 18.63	11/12/08	$ 70,375
R. D. Fukai	8,100	1.38%	$ 18.63	11/12/08	$ 45,603

(1) Options granted in 1998 are exercisable starting one year after the grant date, with 25 percent of the shares becoming exercisable at that time, and with an additional 25 percent of the options becoming exercisable on each successive anniversary date. Options will generally vest and become exercisable in full immediately prior to the effective date of a change of control. The options were granted for a term of 10 years.

(2) The estimated grant date present value reflected in the above table is determined using the Black-Scholes model. The material assumptions incorporated in the Black-Scholes model in estimating the value of the options include the following: An exercise price on the option of $22.625 for the grant with a July 1, 2008 expiration date and $18.63 for the grants with a November 12, 2008 expiration date, the exercise price being equal to the fair market value of the underlying stock on the grant date. Volatility of 16.26 percent for the grant with a July 1, 2008 expiration date and 22.21 percent for the grants with a November 12, 2008 expiration date, calculated using month-end stock prices for the 36-month period prior to the grant date. An interest rate of 5.6 percent for the grant with a July 1, 2008 expiration date and 5.06 percent for the grants with a November 12, 2008 expiration date that represents the interest rate on a U.S. Treasury strip with a maturity date corresponding to that of the option term. Dividends at the rate of $0.48 per share represent the annualized dividend paid with respect to a share of Common Stock at the date of grant. The options were granted for a term of 10 years. The ultimate value of the options will depend on the future market price of the Company's Common Stock. The actual value an optionee will realize, if any, upon exercise of an option will depend on the excess of the market value of the Company's Common Stock over the exercise price on the date the option is exercised.