DECISION MEMORANDUM

TO:COMMISSIONER NELSON

COMMISSIONER SMITH

COMMISSIONER HANSEN

MYRNA WALTERS

DON HOWELL

STEPHANIE MILLER

DAVE SCHUNKE

SUSAN HAMLIN

DAVID SCOTT

BEV BARKER

WORKING FILE

FROM:TERRI CARLOCK

DATE:APRIL 4, 1997

RE:WASHINGTON WATER POWER COMPANY $150 MILLION SECURITY ISSUANCE, CASE NO.  WWP-U-96-1, REQUESTED ORDER MODIFICATION.

RECOMMENDATION:  APPROVAL

Washington Water Power Company (Water Power) requests authority to modify Order No. 26669 for the authority to issue up to $150 million individually or in combination of preferred stock, unsecured debt securities and/or subordinated deferrable interest securities.  Subordinated deferrable interest securities are debt funds issued through a special purpose subsidiary to receive the tax deduction that are treated as preferred securities on the balance sheet of the parent.  The type of issuance will be determined by Water Power based on the terms for each type of security at the time of issuance.  The original application requested fixed rate authority.  Although our order was not specific, Water Power requests the first ordering paragraph be modified as follows:

IT IS THEREFORE ORDERED that the Application authorizing

The Washington Water Power Company to issue and sell from time

to time shares of no par value Preferred Stock, unsecured debt

securities, or subordinated deferrable interest securities, in one or

more series, with an aggregate stated value of up to and including

$150,000,000, the stated value of each series of such shares to be an

amount determined by Water Power with the price per share,

redemption provisions and floating or fixed rate distribution pro-

visions to be determined at the time of any such sale is hereby

approved for the purposes specified in said Application.  [Under-

lined portion added to current Ordering Paragraph]

STAFF RECOMMENDATION

Staff recommends approval.  This term was left open by Staff to allow Water Power to notify Staff of the terms of issue seven days prior to issuance or as soon as practicable.  The order modification is reasonable to provide the legal security required by the underwriter.

COMMISSION DECISION

Should the modification be approved?

Terri Carlock

TC:udmemos/wwpu961.dm2