

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported) JUNE 28, 1996

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

WASHINGTON (State or other jurisdiction of incorporation)	1-3701 (Commission File Number)	91-0462470 (IRS Employer Identification No.)
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1411 EAST MISSION AVENUE, SPOKANE, WASHINGTON (Address of principal executive offices)	99202-2600 (Zip Code)
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Registrant's telephone number, including area code (509) 489-0500

NONE
(Former name or former address, if changed since last report)

Item 5. Other Events.

On June 28, 1996, the Board of Directors of The Washington Water Power Company, a Washington corporation (the "Company"), terminated the Agreement and Plan of Reorganization and Merger, dated as of June 27, 1994 (the "Merger Agreement"), by and among the Company, Sierra Pacific Resources, a Nevada corporation ("SPR"), Sierra Pacific Power Company, a Nevada corporation and a wholly-owned subsidiary of SPR ("SPPC") and Altus Corporation, a Nevada corporation and a wholly-owned subsidiary of the Company ("Altus"), which would have provided for the merger of the Company, SPR and SPPC with and into Altus.

The Board of Directors noted the significant disparity in views among the Federal Energy Regulatory Commission (the "FERC"), as reflected in the position of its Staff, and the state regulatory commissions having primary jurisdiction over the companies. The FERC was concerned with wholesale markets at the national level. Each state commission, on the other hand, was concerned with the interests of retail customers in its particular jurisdiction. The Board concluded that there was little chance of obtaining approval of the proposed merger from each of the regulatory commissions having jurisdiction, on terms consistent with the regulatory principles adopted by the companies and satisfactory

to each other commission.

In addition, the Board concluded that even if the proposed merger were consummated, Altus would be subject to significant continuing risk of inconsistent regulation, with the stockholders of Altus bearing the financial consequences of such inconsistency.

Among other matters, the Board considered the significant decrease in the amount of estimated net savings to be achievable as a result of the proposed merger, which decrease was previously reported in the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 1996, and the increase in risks posed as a result of recent and on-going structural, economic and regulatory changes in the electric utility industry.

Under the terms of the Merger Agreement, the Company was entitled to terminate the Merger Agreement since the merger of the companies was not consummated on or before June 27, 1996 and because certain conditions precedent, including receipt of all regulatory approvals, had not been satisfied. On June 28, 1996 the Company commenced a proceeding in the Superior Court of Spokane County, Washington seeking a declaratory judgment that the Merger Agreement was properly terminated. The action seeks no damages.

Item 7. Financial Statements and Exhibits.

c. Exhibits:

Exhibit Number

Exhibit

99

Press Release, dated June 28,
1996 of The Washington Water
Power Company

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized,

THE WASHINGTON WATER POWER COMPANY

Dated: July 8, 1996

By: /s/ J. E. Eliassen

J. E. Eliassen
Vice President-Finance and
Chief Financial Officer

EXHIBIT INDEX

Exhibit -----	Description -----
99	Press Release, dated June 28, 1996 of The Washington Water Power Company

Media Contact: Dana Anderson - 509-482-4174
Analyst/Broker Contact: Diane Thoren - 509-482-4331

FOR IMMEDIATE RELEASE:
June 28, 1996

WASHINGTON WATER POWER ENDS MERGER EFFORT

SPOKANE, WASH.: The board of directors of Washington Water Power (NYSE: WWP) voted late today to terminate efforts to merge with Sierra Pacific Resources (NYSE: SRP) and its subsidiary, Sierra Pacific Power Company. The companies' merger agreement allows termination by either company since the merger was not completed on or before June 27, 1996 -- the two-year anniversary of the agreement.

In notifying Sierra Pacific of its decision, Washington Water Power noted that receipt of all required regulatory approvals had not yet been obtained and several other conditions to closing the merger had not yet been satisfied.

The WWP board of directors considered many factors in making its decision to terminate the agreement including the growing uncertainty of obtaining approval of the proposed merger from all the regulatory commissions on terms consistent with the principles adopted by the companies. Also cited were the potential risk of inconsistent regulation in the future, the significant decrease in the amount of net savings expected, and the recent and on-going structural, economic, and regulatory changes in the electric utility industry.

"We are disappointed to end a strategic partnership more than two years in the making," said Paul A. Redmond, chairman of the board, president and chief executive officer for Washington Water Power. "We have put forth great effort, time and expense to try to complete the merger with Sierra Pacific.

"However, because of dramatic changes in the utility industry, diminishing merger benefits and continuing uncertainty related to this merger in the regulatory arena, we have determined that termination of the merger agreement at this time is in the best interests of our company's shareholders and customers."

The merger was announced by Washington Water Power and Sierra Pacific in June 1994 and had been approved by shareholders of both companies and by utility regulators in the six states

where the companies conduct business.

"We take a tremendous amount of pride in what we were able to accomplish," Redmond said. "Our company has gained immeasurably from the experience of working so closely with a peer. Our thinking has been challenged in ways not otherwise possible."

Redmond also had high praise for all those involved.

"It is important to acknowledge the diligence of the regulatory commissions as well as the tremendous work of our employees in this effort," he said. "Our people rose to many challenges during the last two years with the greatest professionalism."

The company has approximately \$14.0 million in merger-related transaction and transition costs that it expects to expense in the second quarter of 1996; no increase in rates will result.

Washington Water Power is an energy services company with operations in five western states. The company provides electric service to 291,000 customers in eastern Washington and northern Idaho, and provides natural gas service to 227,000 customers in parts of four states -- Washington, Idaho, Oregon and California.

EDITORS NOTE: A news conference will be held at 10:00 a.m. PDT Monday morning, July 1, 1996 in the Executive Board Room of Washington Water Power's main headquarters building located at East 1411 Mission Avenue, Spokane, Wash. Members of the media may participate via teleconference by calling 1-800-857-2535 and using the password "WWP Media."