

In the opinion of Bond Counsel, under existing law and assuming compliance with the tax covenants described herein, the interest on the Series 1995 Bonds is excluded from gross income for federal income tax purposes and is not a specific preference item for purposes of the federal alternative minimum tax. See, however, "Tax Exemption" herein regarding certain other tax considerations.

\$160,850,000
PUBLIC UTILITY DISTRICT NO. 1
OF CLARK COUNTY, WASHINGTON
GENERATING SYSTEM REVENUE BONDS, SERIES 1995

Dated: October 15, 1995

Due: January 1, as shown below

The above-captioned bonds (the "Series 1995 Bonds") are being issued by Public Utility District No. 1 of Clark County, Washington (the "District"), pursuant to Resolution No. 5528 of the District's Commission (the "Resolution") for the purpose of paying the costs of acquiring, constructing and installing a new electric generating facility and related transmission facilities (the "Facility"), paying a portion of the interest on the Series 1995 Bonds, meeting the Reserve Account Requirement and paying issuance costs.

The Series 1995 Bonds will be issued as fully registered bonds under a book-entry system, initially registered to Cede & Co., as nominee of The Depository Trust Company, New York, New York, which will act as securities depository for the Series 1995 Bonds. Individual purchases of Series 1995 Bonds will be made in the principal amount of \$5,000, or integral multiples thereof within a single maturity, and will be in book-entry form only. Purchasers will not receive certificates representing their interest in the Series 1995 Bonds, except as described herein.

Principal will be payable upon presentation and surrender of the Series 1995 Bonds at either principal corporate trust office of the Washington State Fiscal Agents (the "Registrar"), which are currently The Bank of New York, in New York, New York, and First Interstate Bank of Washington, N.A., in Seattle, Washington. Interest on the Series 1995 Bonds will be payable on each January 1 and July 1, commencing on January 1, 1996. Payment of each installment of interest shall be made to the Registered Owner whose name appears on the Bond Register at the close of business on the fifteenth day of the calendar month preceding such interest payment date by check or draft of the Registrar mailed to such Registered Owner on the due date, at the address appearing on the Bond Register, or at such other address as may be furnished in writing by such Registered Owner to the Registrar.

Maturities, Principal Amounts, Interest Rates and Yields

Due January 1	Principal Amount	Interest Rate	Yield	Due January 1	Principal Amount	Interest Rate	Yield
1999	\$ 8,905,000	5.00%	4.40%	2005	\$13,595,000	6.00 %	5.02 %
2000	10,155,000	6.00	4.50	2006	14,410,000	6.00	5.125
2001	10,765,000	6.00	4.60	2007	15,275,000	6.00	5.22
2002	11,415,000	6.00	4.75	2008	16,190,000	6.00	5.35
2003	12,095,000	6.00	4.85	2009	17,160,000	5.25	5.50
2004	12,825,000	6.00	4.95	2010	18,060,000	5.375	5.60

(plus accrued interest from October 15, 1995)

The Series 1995 Bonds will be subject to redemption prior to maturity as described herein under the heading "DESCRIPTION OF THE SERIES 1995 BONDS – Redemption Provisions".

The principal of and interest on the Series 1995 Bonds are payable on a parity with any Future Parity Bonds solely from the special fund of the District entitled the "Generating System Revenue Bond Fund" (the "Bond Fund"). The District has pledged to deposit in the Bond Fund the Net Generating Revenues to pay the principal of, premium, if any, and interest on the Series 1995 Bonds and any Future Parity Bonds. The Series 1995 Bonds are additionally secured by a lien on the revenues of the Electric System that is prior to the lien of the District's outstanding Electric System revenue bonds and on a parity with the "Operating Expenses" of the Electric System. The Series 1995 Bonds do not constitute general obligations of the District, and the full faith, credit and resources of the District are not pledged for the payment of the Series 1995 Bonds. The Series 1995 Bonds are not obligations of the State of Washington or any other municipal corporation other than the District. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 1995 BONDS" herein.

Payment of the principal of and interest on the Series 1995 Bonds when due will be insured by a municipal bond insurance policy to be issued by Financial Guaranty Insurance Company simultaneously with the delivery of the Series 1995 Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 1995 BONDS – Bond Insurance" herein.



FGIC is a registered service mark used by Financial Guaranty Insurance Company,
a private company not affiliated with any U.S. Government agency.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Series 1995 Bonds are offered when, as and if issued and received by the Underwriters, subject to the approval of legality by Perkins Coie, Seattle, Washington, Bond Counsel, and to certain other conditions. Certain legal matters will be passed upon for the District by its General Counsel, Wayne W. Nelson, Vancouver, Washington. Certain legal matters will be passed upon for the Underwriters by their counsel, Ater Wynne Hewitt Dodson & Skerritt, Portland, Oregon. The fees of Bond Counsel and counsel to the Underwriters are contingent upon the issuance of the Series 1995 Bonds. It is expected that delivery of the Series 1995 Bonds will occur on or about October 31, 1995, at The Depository Trust Company in New York, New York.

LEHMAN BROTHERS

J.P. MORGAN SECURITIES INC. PRUDENTIAL SECURITIES INCORPORATED

SMITH BARNEY INC.

Series 1995 Bond of the same series of any authorized denomination or denominations, of the same maturity and interest rate, and for the aggregate principal amount of such Series 1995 Bond being surrendered. The Registrar shall require the payment by the Registered Owner requesting such transfer or exchange of any tax, fee or governmental charge required to be paid with respect to such transfer or exchange.

Neither the District nor the Registrar shall be obligated to exchange or transfer any Series 1995 Bond during the period commencing 15 days prior to the date on which notice of redemption is mailed in accordance with the provisions of the Resolution and ending on the date fixed for redemption.

Defeasance of the Series 1995 Bonds

If the principal or redemption price of any Series 1995 Bond becoming due, either at maturity or by call for redemption, together with all interest accruing thereon to the due date, has been paid or provision therefor made in accordance with the Resolution, all interest on such Series 1995 Bond shall cease to accrue on the due date and all liability of the District with respect to such Series 1995 Bond shall cease as of the date such principal and interest is so provided for. Thereafter the Registered Owners of such Series 1995 Bond shall be restricted exclusively to the money so deposited for any claim of whatsoever nature with respect to such Series 1995 Bond, and the Registrar shall hold such money in trust for such Registered Owners uninvested and without interest.

APPLICATION OF THE SERIES 1995 BOND PROCEEDS

A portion of the net proceeds of the sale of the Series 1995 Bonds will be used to pay the costs of acquiring, constructing and installing the Facility. For a discussion of the Facility, see "THE FACILITY" herein. The net proceeds of the Series 1995 Bonds also will be used to pay a portion of the interest on the Series 1995 Bonds, to pay the costs of a Reserve Account Facility and to pay the costs of issuing the Series 1995 Bonds.

The following table depicts the sources and uses of the Series 1995 Bond proceeds.

Sources of Funds:	
Principal of the Series 1995 Bonds	\$160,850,000.00
Plus: Premium	7,778,717.45
Less: Original Issue Discount	<u>(794,989.80)</u>
Total	\$167,833,727.65
Uses of Funds:	
Deposit to the Construction Fund (1)	\$165,626,344.64
Underwriters' Discount and Issuance Costs (2)	<u>2,207,383.01</u>
Total	\$167,833,727.65

(1) Includes money to be deposited into the Capitalized Interest Account sufficient to pay interest on the Series 1995 Bonds accrued through November 1, 1997

(2) Includes rating agency fees, financial advisor and legal fees and other costs connected with the issuance of the Series 1995 Bonds.

Source: The District.



Table 5
Public Utility District No. 1 of Clark County, Washington
Project Cost Estimates
(\$000)

Item	Cost
Plant Development Fee	\$ 5,000
Plant Construction Fee	5,000
Plant Engineering, Procurement & Construction	117,000
Transmission	14,294
Natural Gas Lateral	1,816
Water Supply	2,384
Spare Parts	2,216
Site Costs	1,014
Sales Tax	7,574
Total Project Cost	\$156,296

As shown, the Project cost is \$156.296 million, all of which will be financed. Should further Project costs be incurred in the future due to upgrade of transmission lines or additional spare parts, these will be paid for through funds available from the District or additional financings. The estimates of plant engineering, procurement and construction (EPC), transmission and the natural gas lateral include additional contingency amounts against cost overruns.



A summary of the sources and uses of funds associated with the Series 1995 Bonds is provided in Table 6. The uses of bond proceeds include deposits to the construction fund, capitalized interest account, reserve accounts and the cost of issuance.

Table 6

**Public Utility District No. 1 of Clark County, Washington
 Generating System Revenue Bonds, Series 1995
 Sources and Uses of Funds**

Sources of Funds	Total
Bond Proceeds:	\$160,850,000
Original Issue Premium	7,778,717
Less: Original Issue Discount	(794,990)
Total Sources of Funds	<u>\$167,833,727</u>
Uses of Funds	
Project Fund Deposits	
Construction Fund ⁽¹⁾	\$165,626,345
Costs of Issuance Expenses ⁽²⁾	(2,207,383)
Total Uses of Funds	<u>\$167,833,728</u>

- (1) Includes money to be deposited into the Capitalized Interest Account sufficient to pay interest on the Series 1995 Bonds accrued through November 1, 1997.
- (2) Includes rating agency fees, financial advisor and legal fees and other costs connected with the issuance of the Series 1995 Bonds.