

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-8
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

ITRON, INC.
(Exact name of Registrant as specified in its charter)

Washington 91-1011792
(State or other jurisdiction of (I.R.S. Employer Identification No.)
incorporation or organization)

2818 N. Sullivan Road
Spokane, Washington 99216-1897
(Address of principal executive offices, including zip code)

NONQUALIFIED STOCK OPTION LETTER AGREEMENT
(Full title of the plan)

DAVID G. REMINGTON
Vice President and Chief Financial Officer
Itron, Inc.
2818 N. Sullivan Road
Spokane, Washington 99216-1897
(509) 924-9900

(Name, address and telephone number, including area code, of agent for service)

Copy to:

LINDA A. SCHOEMAKER
Perkins Coie LLP
1201 Third Avenue, 40th Floor
Seattle, Washington 98101-3099

CALCULATION OF REGISTRATION FEE

Title of Securities to Be Registered	Number to be Registered(1)	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common Stock, no par value, under the Nonqualified Stock Option Letter Agreement	158,975	\$7.3125(2)	\$1,162,504.60(2)	\$323.18

(1) Together with an indeterminate number of additional shares that may be necessary to adjust the number of shares reserved for issuance pursuant to such employee benefit plan as the result of any future stock split, stock dividend or similar adjustment of the Registrant's outstanding Common Stock.

(2) Shares are issuable upon exercise of an outstanding option with a fixed exercise price. Pursuant to Rule 457(h) under the Securities Act of 1933, as amended, the proposed maximum aggregate offering price and the registration fee have been computed upon the basis at which the option may be exercised.

PART II

INFORMATION REQUIRED IN REGISTRATION STATEMENT

Item 3. INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents filed with the Securities and Exchange Commission (the "Commission") are hereby incorporated by reference in this Registration Statement:

(a) The Registrant's Annual Report on Form 10-K for the year ended December 31, 1998, filed on March 30, 1999, which contains audited financial statements for the most recent fiscal year for which such statements have been filed;

(b) All other reports filed by the Registrant pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), since the end of the fiscal year covered by the Annual Report on Form 10-K referred to in (a) above; and

(c) The description of the Registrant's Common Stock contained in the Registration Statement on Form 8-A filed on September 18, 1993, under Section 12(g) of the Exchange Act, including any amendments or reports filed for the purpose of updating such description.

All documents filed by the Registrant pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date hereof, and prior to the filing of a post-effective amendment which indicates that the securities offered hereby have been sold or which deregisters the securities covered hereby then remaining unsold, shall also be deemed to be incorporated by reference into this Registration Statement and to be a part hereof commencing on the respective dates on which such documents are filed.

Item 4. DESCRIPTION OF SECURITIES

Not applicable.

Item 5. INTERESTS OF NAMED EXPERTS AND COUNSEL

None.

Item 6. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Sections 23B.08.500 through 23B.08.600 of the Washington Business Corporation Act authorize a court to award, or a corporation's board of directors to grant, indemnification to directors and officers on terms sufficiently broad to permit indemnification under certain circumstances for liabilities arising under the Securities Act of 1933, as amended (the "Securities Act"). Section 10 of the Registrant's Restated Bylaws provides for indemnification of the Registrant's directors, officers, employees and agents to the maximum extent permitted by Washington law. Certain of the directors of the Registrant, who are affiliated with principal shareholders of the Registrant, also may be indemnified by such shareholders against liability they may incur in their capacity as a director of the Registrant, including pursuant to a liability insurance policy for such purpose.

Section 23B.08.320 of the Washington Business Corporation Act authorizes a corporation to limit a director's liability to the corporation or its shareholders for monetary damages for acts or omissions as a director, except in certain circumstances involving intentional misconduct, self-dealing or illegal corporate loans or distributions, or any transactions from which the director personally receives a benefit in money, property or services to which the director is not entitled. Article 9 of the Registrant's Restated Articles of Incorporation contains provisions implementing, to the fullest extent permitted by Washington law, such limitations on a director's liability to the Registrant and its shareholders.

The Registrant has entered into an Indemnification Agreement with each of its executive officers and directors in which the Registrant agrees to hold harmless and indemnify the officer or director to the fullest extent permitted by Washington law. In addition, the Registrant agrees to indemnify the officer or director against any and all losses, claims, damages, liabilities or expenses incurred in connection with any actual, pending or threatened action, suit, claim or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal, in which the officer or director is, was or becomes involved by reason of the fact that the officer or director is or was a director, officer, employee or agent of the Registrant, or that being or having been such a director, officer, employee or agent, such director is or was serving at the request of the Registrant as a director, officer, employee, trustee or agent of another corporation or of a partnership, joint venture,

trust or other enterprise, including service with respect to an employee benefit plan, whether the basis of such proceeding is alleged action (or inaction) by the officer or director in an official capacity as a director, officer, employee, trustee or agent or in any other capacity while serving as a director, officer, employee, trustee or agent. The officer or director is not indemnified for any action, suit, claim or proceeding instituted by or at the direction of the officer or director unless such action, suit, claim or proceeding is or was authorized by the Registrant's Board of Directors or unless the action is to enforce the provisions of the Indemnification Agreement.

No indemnity pursuant to the Indemnification Agreements may be provided by the Registrant on account of any suit in which a final, unappealable judgment is rendered against an officer or director for an accounting of profits made from the purchase or sale by the officer or director of securities of the Registrant in violation of the provisions of Section 16(b) of the Exchange Act, and amendments thereto, or for damages that have been paid directly to the executive officer or director by an insurance carrier under a policy of directors' and officers' liability insurance maintained by the Registrant.

Officers and directors of the Registrant are covered by insurance (with certain exceptions and certain limitations) that indemnifies them against losses and liabilities arising from certain alleged "wrongful acts," including alleged errors or misstatements, or certain other alleged wrongful acts or omissions constituting neglect or breach of duty.

Item 7. EXEMPTION FROM REGISTRATION CLAIMED

Not applicable.

Item 8. EXHIBITS

Exhibit Number	Description
5.1	Opinion of Perkins Coie LLP regarding legality of the Common Stock being registered
23.1	Consent of Deloitte & Touche LLP
23.2	Consent of Perkins Coie LLP (included in opinion filed as Exhibit 5.1)
24.1	Power of Attorney (see signature page)
99.1	Nonqualified Stock Option Letter Agreement

Item 9. UNDERTAKINGS

A. The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act;

(ii) To reflect in the prospectus any facts or events arising after the effective date of this Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in this Registration Statement; and

(iii) To include any material information with respect to the plan of distribution not previously disclosed in this Registration Statement or any material change to such information in this Registration Statement;

provided, however, that paragraphs (1)(i) and (1)(ii) above do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the Registrant pursuant to Section 13 or Section 15(d) of the Exchange Act that are incorporated by reference in this Registration Statement.

(2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

B. The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the Registrant's annual report pursuant to Section 13(a) or 15(d) of the Exchange Act (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Exchange Act) that is incorporated by reference in this Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

C. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933 as amended, the Registrant certifies that it has reasonable grounds to believe that it meets all the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Spokane, State of Washington, on the 3rd day of September, 1999.

ITRON, INC.

/s/ DAVID G. REMINGTON

By: David G. Remington
Vice President and Chief Financial Officer

POWER OF ATTORNEY

Each person whose signature appears below authorizes David G. Remington and Johnny M. Humphreys, or either of them, as attorneys-in-fact with full power of substitution, to execute in the name and on the behalf of each person, individually and in each capacity stated below, and to file, any and all amendments to this Registration Statement, including any and all post-effective amendments.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed by the following persons in the capacities indicated below on the 3rd day of September, 1999.

Signature	Title
/s/ MICHAEL J. CHESSER ----- Michael J. Chesser	President and Chief Executive Officer (Principal Executive Officer)
/s/ DAVID G. REMINGTON ----- David G. Remington	Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)
/s/ MICHAEL B. BRACY ----- Michael B. Bracy	Director
/s/ TED C. DEMERRITT ----- Ted C. DeMerritt	Director
/s/ JON E. ELIASSEN ----- Jon E. Eliassen	Director
/s/ JOHNNY M. HUMPHREYS ----- Johnny M. Humphreys	Director
/s/ MARY ANN PETERS ----- Mary Ann Peters	Director
/s/ PAUL A. REDMOND ----- Paul A. Redmond	Director
/s/ GRAHAM M. WILSON ----- Graham M. Wilson	Director
/s/ STUART EDWARD WHITE ----- Stuart Edward White	Director

INDEX TO EXHIBITS

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PERKINS COIE LLP

A LAW PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS
1201 THIRD AVENUE, 40TH FLOOR, SEATTLE, WASHINGTON 98101-3099
TELEPHONE: 206 583-8888 FACSIMILE: 206 583-8500

September 3, 1999

Itron, Inc.
2818 N. Sullivan Road
Spokane, Washington 99216-1897

Re: Registration Statement on Form S-8 of Shares of Common Stock,
No Par Value, of Itron, Inc.

Ladies and Gentlemen:

We have acted as counsel to Itron, Inc. (the "Company") in connection with the preparation of a Registration Statement on Form S-8 (the "Registration Statement") under the Securities Act of 1933, as amended (the "Act"), which the Company is filing with the Securities and Exchange Commission with respect to up to 158,975 shares of Common Stock, no par value, which may be issued under a nonqualified stock option letter agreement (the "Agreement").

We have examined the Registration Statement and such documents and records of the Company and other documents as we have deemed relevant and necessary for the purpose of this opinion. In giving this opinion, we are assuming the authenticity of all instruments presented to us as originals, the conformity with originals of all instruments presented to us as copies and the genuineness of all signatures.

Based on and subject to the foregoing, we are of the opinion that any shares that may be issued pursuant to the Agreement have been duly authorized and that, upon the due execution by the Company and the registration by its registrar of such shares, issuance thereof by the Company in accordance with the terms of the Agreement and the receipt of consideration therefor in accordance with the terms of the Agreement, such shares will be validly issued, fully paid and nonassessable.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement. In giving such consent, we do not admit that we are in the category of persons whose consent is required under Section 7 of the Act.

Very truly yours,

/s/ PERKINS COIE LLP

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in this registration statement of Itron, Inc. on Form S-8 of our report dated February 17, 1999 appearing in the Annual Report on Form 10-K of Itron, Inc. for the year ended December 31, 1998.

/s/ DELOITTE & TOUCHE LLP

Seattle, Washington
September 3, 1999

ITRON, INC.

NONQUALIFIED STOCK OPTION LETTER AGREEMENT

TO: Michael Chesser

We are pleased to inform you that you have been selected by Itron, Inc. (the "Company") to receive a nonqualified stock option for the purchase of 158,975 shares of the Company's Common Stock at an exercise price of \$7.3125 per share.

The terms of the option are as set forth in this Agreement. In addition, although the option is not granted under the Company's 1989 Restated Stock Option Plan (the "Plan"), to the extent not inconsistent with the terms set forth below, the terms and conditions of the Plan will be applicable to the option. Such terms and conditions are hereby incorporated into this Agreement, and a copy of the Plan is attached to this Agreement. The most important terms of the option are summarized as follows:

Term: The term of the option is ten years from date of grant, unless sooner terminated.

Exercise: During your lifetime only you can exercise the option. The Plan also provides for exercise of the option by the personal representative of your estate, by the beneficiary you have designated on forms prescribed by and filed with the Company, or by the beneficiary of your estate following your death. You may use the Notice of Exercise of Nonqualified Stock Option in the form attached to this Agreement when you exercise the option.

Payment for Shares: Unless the Plan Administrator at any time determines otherwise, the option may be exercised by the delivery of any combination of:

(a) Cash, personal check, bank certified or cashier's check;

(b) Tendering (either actually or by attestation) shares of the capital stock of the Company held by you for a period of at least six months having a fair market value at the time of exercise, as determined in good faith by the Plan Administrator, equal to the exercise price (You should consult your tax advisor before exercising this option with stock you received upon the exercise of an incentive stock option.); and/or

(c) A properly executed exercise notice together with irrevocable instructions to a broker to promptly deliver to the Company the amount of sale or loan proceeds to pay the exercise price.

Termination: The option will terminate immediately upon termination for cause, as defined in the Plan, or three months after cessation of employment with the Company or a related corporation, unless cessation is due to total disability, in which case the option will terminate upon the earlier of 12 months after cessation of employment and the option's expiration date (June 7, 2009). If you die while the option is exercisable, the option may be exercised until the earlier of one year after the date of death and the option's expiration date.

Withholding Taxes: As a condition to the exercise of the option, you must make such arrangements as the Company may require for the satisfaction of any federal, state or local withholding tax obligations that may arise in connection with such exercise. The Company has the right to retain without notice sufficient shares of stock to satisfy the withholding obligation. Unless the Plan Administrator determines otherwise, you may satisfy the withholding obligation by electing to have the Company withhold from the shares to be issued upon exercise that number of shares having a fair market value equal to the amount required to be withheld (up to the minimum required federal tax withholding rate).

Transfer of Option: The option is not transferable except by will or by the applicable laws of descent and distribution.

Vesting: The option will vest and become exercisable according to the following schedule:

Date on and After Which
Option Is Exercisable

Portion of Total Option
Which Is Exercisable

June 7, 2000	33%
June 7, 2001	66%
June 7, 2002	100%

Change of Control: In the event of a Change of Control (as defined in your Change of Control Agreement dated June 7, 1999), the option vesting will accelerate and the option will be exercisable as follows:

Duration of Employment	Portion of Total Option Which Is Exercisable
Less than 6 months	33%
At least 6 months	66%
At least 12 months	100%

Section 16 of the Securities Exchange Act: If an individual subject to Section 16 of the Securities Exchange Act sells shares of Common Stock obtained upon the exercise of a stock option within six months after the date the option was granted, such sale may result in short-swing profit recovery under Section 16(b) of the Securities Exchange Act.

Date of Grant: The date of grant of the option is June 7, 1999.

THE COMPANY INTENDS TO FILE AND MAINTAIN A REGISTRATION STATEMENT WITH RESPECT TO THE SHARES THAT WILL BE ISSUED UPON THE EXERCISE OF THIS OPTION BUT HAS NO OBLIGATION TO DO SO. IN THE EVENT THAT SUCH REGISTRATION IS NOT EFFECTIVE AT THE TIME YOU WISH TO EXERCISE, YOU WILL NOT BE ABLE TO EXERCISE THE OPTION UNLESS EXEMPTIONS FROM REGISTRATION UNDER FEDERAL AND STATE SECURITIES LAWS ARE AVAILABLE; SUCH EXEMPTIONS FROM REGISTRATION ARE VERY LIMITED AND MIGHT BE UNAVAILABLE.

Please execute the Acceptance and Acknowledgment set forth below on the enclosed copy of this Agreement and return it to the undersigned.

Very truly yours,

ITRON, INC.

By /s/ JOHNNY M. HUMPHREYS

 Johnny M. Humphreys
 Its: Chairman of the Board