

1 **Studies Performed by Independent Parties**

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- 3 1. 1997: Rated second out of 94 electric utilities on efficiency.  
4 In a study conducted by Barakat & Chamberlin, Inc. and reported by Public Utilities  
5 Fortnightly (June 15, 1997), the Company was ranked near the top of utilities best  
6 positioned to meet the needs of customers in a more competitive utility marketplace.  
7 The Company was rated second in competitive efficiency among 94 U.S. electric  
8 utilities, achieving a rating of 99.9%. This analysis considered such efficiency factors  
9 as total electric sales, average system power rate, total electric sales per employee,  
10 operating expenses, and percentage of power purchased from other sources.
- 11 2. 1998: Avista recognized by McGraw-Hill for business excellence and innovation.  
12 Electrical World Business Magazine selected the Company as one of only five 1998  
13 recipients of the James H. McGraw Award for business excellence in recognition of  
14 important contributions to the progress and future of the energy industry. Specifically  
15 Avista was recognized for "creatively and successfully pursuing market opportunities  
16 by leveraging astute business strategies and outstanding technical and engineering  
17 capabilities in risk management, retail products and services and environmental  
18 stewardship."
- 19 3. 1998: One of only 19 utilities nationwide to merit distinction.  
20 Based on figures for 1996, the Company tied for fifth place among 140 utilities  
21 surveyed for most efficient utility operations. The top nineteen utilities were singled out  
22 for merit. Survey results, as reported by Public Utilities Fortnightly (September 1,  
1998), were based on detailed information drawn from labor costs, operations and  
maintenance expenses, pensions and benefits, fuel and capital outlays. Even though the  
survey included a period in which the Company experienced substantial costs for ice  
storm restoration efforts, which affected the Company's standings in this survey, Avista  
finished near the top of the industry.
4. 1998: Avista ranks number 1 in overall customer service performance.  
Theodore Barry & Associates, in an independent survey of electric utilities, ranked the  
Company number one in overall customer service performance. Among 33 other  
energy providers, the Company had the lowest annual customer service expense, while  
receiving one of the highest customer satisfaction ratings in the survey group.