

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.