

The August 31, 2001 Spokesman reported that Avista is cutting its executive pay. This is being done because Avista and its subsidiaries struggle with mounting losses from mistakes, bad investment decisions, and currently, the price war on energy supplies. The article further says that subsidies such as: Avista Advantage, Avista Communication, and Avista Labs have been, and continue to operate at a loss and will continue to fund those losses.

On Sept 1, 2001 The Spokesman reports, testifying was done to the Utilities Commission that Avista needs the fully proposed 36.9% rate increase until the debt is retired and would further cancel the Energy buy back program. Avista stated it needs the increases otherwise companies may not do business with Avista. Avista also may have to sell off assets, or the company may end up paying higher interest rates.

As a private employer in today's turbulent business society, we have to run our companies in a efficient and competitive manor. We do not have the luxury of Governmental agencies or monopolistic Utilities to raise taxes or rates. We do not have the luxury of running our companies by accumulating massive amounts of debt, starting new ventures all the while our current ventures continually loose money. Finally in all, turning around and asking for a mandated rate increase to cover our mistakes, inefficiencies in our business systems or bad business investments.

Avista needs to refocus, get efficient, make better decisions, cut non productive weight, spin off non-producing companies and get the bottom line back by running an efficient business not by arguing for mandated rate increases.

Jonathan Ferraiuolo, CEO
Pacific Holding Corporation