



Avista Advantage Introduces New Commodity Pool Concept

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Customers in First Two Pools Realizing Between 10% and 30% Savings

SPOKANE, Wash., Sep 22, 2003 /PRNewswire-FirstCall via COMTEX/ -- Avista Advantage, an affiliate of Avista Corp. (NYSE: AVA), and a leading provider of facility intelligence and business process outsourcing solutions for multi-site commercial clients, has created a new commodity pooling mechanism to allow companies to dramatically reduce their cost of purchased power.

(Logo: <http://www.newscom.com/cgi-bin/prnh/19990629/AVALOGO>)

Through an alliance with national electricity supplier Strategic Energy, Avista Advantage is providing to its customers access to electric commodity buying pools in deregulated regional electric markets. Pooling demand across clients allows Advantage to facilitate the purchase of large blocks of power by Strategic Energy at greatly reduced costs and pass those savings through to participants. In the first of these pools in the state of Michigan, Advantage customers have realized savings of between 10 and 30 percent. Advantage expects to provide similar pool opportunities in four to five additional markets over the next 12 months. Strategic Energy procures, arranges delivery, and manages the complete energy process for the program.

"Our strategic objective is to provide access to a broad range of products and services to our clients. In the last nine months, we have expanded our service offerings to include Intelligent Metering Solutions as well as Commodity Pools. These products complement our core Facility IQ service which allows Fortune 1000 clients to effectively handle bill management while providing each client with online access to intelligence about facility expenses enterprise-wide," said Harry Stephens, president and chief executive officer of Avista Advantage. "Through Facility IQ, energy managers and accounts payable departments are better able to improve operational efficiencies across hundreds or thousands of sites."

According to Fred Grant, chief financial officer for Ryan's Family Steak Houses Inc., "The addition of Commodity Pools to Advantage's service offerings provides great leverage to us. In Michigan alone, we were able to realize savings of nearly 26 percent on our electric commodity purchases, saving us over \$84,000 annually."

Avista Advantage currently manages over 300,000 invoices per month on behalf of its client base of 270 of the top companies in North America. These invoices represent over \$5 billion annually in utility expenditures.

"Advantage's suite of services brings hard dollar savings to customers by reducing expenses through the outsourcing of activities that are not core competencies for many of these businesses while delivering additional savings opportunities through bill audits, late fee management and rate schedule changes and commodity sourcing," said Stephens.

About Avista Advantage

Avista Advantage is a leading provider of facility intelligence and business process outsourcing services that help multi-site companies proactively manage and reduce facility-related costs. Avista Advantage's patented Facility IQSM System provides online access to consolidated costs as well as powerful analytical consulting services and real-time reporting tools. For more information about Avista Advantage, visit the company's website at <http://www.avistaadvantage.com> .

About Strategic Energy

Strategic Energy, headquartered in Pittsburgh, PA since 1986, is a leading competitive supplier of retail electricity operating in eight states with deregulated energy markets, including California, Massachusetts, Michigan, New Jersey, New York, Ohio, Pennsylvania and Texas. Strategic Energy buys wholesale power under long-term contracts for direct delivery to retail customers. Strategic Energy's website is www.sel.com.

About Avista Corp.

Avista Corp. is an energy company involved in the production, transmission and distribution of energy as well as other energy-related businesses. Avista Utilities is a company operating division that provides electric and natural gas service to customers in four western states. Avista's non-regulated subsidiaries include Avista Advantage and Avista Energy. Avista Corp.'s stock is traded under the ticker symbol "AVA" and its Internet address is www.avistacorp.com

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This news release contains forward-looking statements regarding the company's current expectations. Forward-looking statements are all statements other than historical facts. Such statements speak only as of the date of the news release and are subject to a variety of risks and uncertainties, many of which are beyond the company's control, which could cause actual results to differ materially from the expectations.

These risks and uncertainties include, in addition to those discussed herein, all of the factors discussed in the company's Annual Report on Form 10-K for the year ended Dec. 31, 2002, and the Quarterly Report on Form 10-Q for the quarters ended March 31 and June 30, 2003.

SOURCE Avista Corp.

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