



Avista to Expand Energy Efficiency Services to Support Customers and Secure Least Cost Energy for the Future

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Bruce Folsom selected to lead development of new program strategies

SPOKANE, Wash., Oct. 12 /PRNewswire-FirstCall/ -- Avista (NYSE: AVA) today announced the launch of its Demand Response Initiative, which will build on the company's nearly 30-year legacy of innovative energy efficiency programs and customer advocacy. The initiative will be led by Bruce Folsom, newly appointed senior manager of demand side management.

(Logo: <http://www.newscom.com/cgi-bin/prnh/20040128/SFW031LOGO>)

The new Demand Response Initiative is a multi-faceted approach to energy efficiency that will offer Avista electric and natural gas customers an expanded array of options to help them more effectively manage their energy. The new initiative will also support Avista's focus on least-cost resource planning and delayed capital construction.

Under the Demand Response Initiative, Avista will maintain its current focus on its award-winning energy efficiency programs for limited income, residential, commercial and industrial customers while assessing and implementing expanded options. Avista recently launched a new Renewable Generation Initiative which provides incentives to participating Avista customers who generate their own electricity using wind, solar or an anaerobic digester.

Scott Morris, Avista Utilities president and president and chief operating officer Avista Corp. said the new demand response initiative will focus on innovative program delivery, customer advocacy through education and information, resource acquisition through least-cost demand response programs, and operational efficiencies within the electric and natural gas transmission and distribution systems.

"Avista is well-known for its innovative approaches to delivering energy efficiency programs that help our customers get more value for their energy dollar," Morris said. "To the future, DSM will grow in both scope and strategic significance and will become part of an enterprise-wide resource planning strategy while continuing to be at the forefront of leading customer advocacy. We're fortunate to have a proven innovator like Bruce Folsom to lead this effort."

Folsom, who has been with Avista since 1993, will be responsible for developing and implementing the demand side management programs in the company's three-state service area of Washington, Idaho and Oregon. Prior to this appointment, Folsom served in leadership positions within Avista's rates and regulation department, where he worked on a variety of demand side management efforts, customer solution activities and consumer programs. Folsom served as electric program manager for the Washington Utilities and Transportation Commission prior to joining Avista.

A graduate of the University of Washington with an MBA from Seattle University, Folsom developed Avista's DSM Tariff Rider in 1995 which continues to provide Avista with a consistent level of funding for energy efficiency and market transformation programs to benefit customers. He also led the successful implementation of the Low-Income Rate Assistance Program (LIRAP), which annually provides more than \$3 million to Avista's limited income customers in Washington. Folsom has also been recognized by Spokane Neighborhood Action Programs for his work in developing groundbreaking programs to assist Avista's limited-income customers and by the Northwest Energy Coalition

"I was attracted to Avista as an employer because of the company's almost 120-year legacy of innovation and customer focus. I am looking forward to working on this initiative with an outstanding team, and together continuing the company's tradition of creating customer programs and lowest cost resource acquisition," Folsom said.

For information on Avista's energy efficiency and energy assistance programs, visit www.avistautilities.com or call Avista at (800) 227-9187.

Avista 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 service to 339,000 electric and 298,000 natural gas customers in three western states. Avista's non-regulated subsidiaries include Advantage IQ and Avista Energy. Avista Corp.'s stock is traded under the ticker symbol "AVA." For more information about Avista, please visit www.avistacorp.com.

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