



Advantage IQ Acquires Cadence Network

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SPOKANE, Wash., June 30 /PRNewswire-FirstCall/ -- Avista Corp. (NYSE: AVA) subsidiary Advantage IQ announced today that it has acquired Cadence Network, a privately-held, Cincinnati, Ohio-based company. The move will bring together the two leading providers of expense management solutions for multi-site businesses.

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

Terms of the transaction include a transfer of Advantage IQ shares to shareholders of Cadence Network, giving them a 25 percent minority stake in Advantage IQ. While Advantage IQ anticipates an increase in annual revenues as the result of the acquisition, the transaction is expected to be slightly dilutive to Avista Corp. earnings in 2008 by one to two cents per share due to transaction costs and the decrease in Avista Corp.'s ownership of the subsidiary.

The combined organization will retain the Advantage IQ name and will remain a subsidiary of Avista Corp. The company will remain headquartered in Spokane, Wash., and plans call for maintaining existing offices in Cincinnati, Denver and Atlanta. Advantage IQ President and Chief Executive Officer Stu Stiles will continue to lead the organization and former Cadence Network President and Chief Executive Officer Jeff Hart will become the Chief Operating Officer at Advantage IQ.

This transaction is another step in Avista Corp's plans to grow Advantage IQ and bring increased value to its clients and to our shareholders, said Scott Morris, Avista Corp. chairman, president and CEO. We will be looking at monetizing the company in the next two to four years.

The potential monetization of Advantage IQ could be completed through an initial public offering or sale of the business depending on future market conditions, growth of the business and other factors. Under the transaction agreement, the minority owners can exercise a right to redeem their shares at fair market value during certain time periods if Advantage IQ is not monetized.

Cadence brings processes and technologies that complement our suite of client offerings, said Stiles. Ultimately, the combined entities will provide greater services to our clients, allow us to compete more aggressively in the marketplace and position us well for significant growth, especially in the areas of sustainable and environmentally sound business practices. Together, our company will be the premier service provider in the industry.

This is an exciting time to join two market leaders. The maturity of the marketplace as well as that of the two companies makes this the ideal opportunity, Hart said. Both entities are on solid ground from a business continuity standpoint and together we are poised for substantial growth.

The integration of Advantage IQ and Cadence Network unites the industry pioneers and the most comprehensive facility invoice processing and reporting systems, and consulting services in the market. Over the past decade, the two companies have employed similar approaches with clients to manage energy costs, and to identify areas for immediate cost savings and improved efficiencies, while capitalizing on opportunities in deregulated markets.

The combined client list includes the most recognized companies in business and more than 70 Fortune 500 clients. Services are provided to a variety of market segments including retail, banking/finance, hospitality, industrial, grocery, convenience stores, restaurants, healthcare, communications and energy. The company will serve over 500 clients representing hundreds of thousands of sites across the United States, Canada and Puerto Rico.

NOTE: Avista will host a conference call with financial analysts and investors on June 30, 2008, at 4:30 p.m. EDT to discuss this news release. The call is available at (866) 800-8652, passcode: 61867326. A replay of the conference call will be available through July 7, 2008. Call (888) 286-8010, passcode 17684763 to listen to the replay. The conference call will be archived at <http://www.avistacorp.com> for one year.

About Advantage IQ

Advantage IQ is a leading provider of comprehensive cost management services for utility, telecom and waste expenses, including strategic energy management services. Its patented technology and services provide multi-site companies with critical, yet easy-to-access information that enables companies to proactively manage and reduce expenses. Advantage IQ's patented Facility IQ(TM) System provides online access to consolidated costs as well as powerful analytical consulting services and real-time reporting tools. For more information about Advantage IQ, visit <http://www.advantageIQ.com> or call toll-free 1-800-767-4197.

About Cadence Network

Headquartered in Cincinnati, Ohio, Cadence Network, Inc. specializes in helping companies manage energy costs and their carbon footprints. Cadence delivers comprehensive utility, telecommunications and lease facility expense management to more than 150 multiple-site businesses nationwide. At work in more than 350,000 locations, Cadence Network is a founding member of the Carbon Management Council, an EnergyStar(R) Partner of the United States Environmental Protection Agency and a proud supporter of The Arbor Day Foundation. For more information, please visit

<http://www.cadencenet.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 our operating division that provides service to 352,000 electric and 311,000 natural gas customers in three Western states. Avista's primary, non-regulated subsidiary is Advantage IQ. Avista Corp. stock is traded under the ticker symbol AVA. For more information about Avista, please visit www.avistacorp.com. Avista Corp. and the Avista Corp. logo are trademarks of Avista Corporation. All other trademarks mentioned in this document are the property of their respective owners.

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 all of the factors discussed in the company's Annual Report on Form 10-K for the year ended Dec. 31, 2007, and the Quarterly Report on Form 10-Q for the quarter ended March 31, 2008.

SOURCE Avista Corp.

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