



## Avista Corp. Board Declares Common and Preferred Dividends

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Dividend Increase Is the Second in as Many Years

SPOKANE, Wash., May 13 /PRNewswire-FirstCall/ -- Avista Corp.'s (NYSE: AVA) board of directors has declared a quarterly dividend of \$0.13 per share on the company's common stock, an increase of one-half cent. A quarterly dividend of \$1.73750 per share was declared on all outstanding shares of preferred stock Series K. The common and preferred stock dividends are payable June 15, 2004, to shareholders of record at the close of business on May 27, 2004.

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

"We have worked hard to attain the goals that are returning Avista to financial health. We've made good progress in achieving our targets thus far, and the increase in our common stock dividend is indicative of the board's confidence in the future of our company," said Gary G. Ely, chairman of the board, president and CEO of Avista Corp.

The common stock dividend represents a 4 percent increase over the last quarterly dividend of \$0.125 declared in August 2003. This will result in an indicated annual dividend of \$0.52 per share. Payment of dividends is subject to declaration and approval by the board each quarter.

"This is the second dividend increase the board has authorized in the past nine months," Ely said. "As we continue to execute our plans for financial recovery, our expectation over time would be to bring the dividend pay-out ratio more in line with others in our industry."

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 Energy and Avista Advantage. Avista Corp.'s stock is traded under the ticker symbol "AVA" and its Internet address is [www.avistacorp.com](http://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, and 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, 2003, and on Form 10-Q for the first quarter ended March 31, 2004.

SOURCE Avista Corporation

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