



Avista Corp. Board Declares an Increase in Common Stock Dividend

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Board authorizes preferred stock dividend

SPOKANE, Wash., May 10, 2007 /PRNewswire-FirstCall via COMTEX News Network/ -- Avista Corp.'s (NYSE: AVA) board of directors has declared a quarterly dividend of \$0.15 per share on the company's common stock, an increase of \$0.005 per share. 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, 2007, to shareholders of record at the close of business on May 24, 2007.

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

"This is the sixth common stock dividend increase authorized by the board in the past four years, and it is an important indicator to our shareholders of the progress we continue to make in strengthening our financial health," said Gary G. Ely, Avista Corp. chairman of the board and chief executive officer. "Even with this increase, we continue to reinvest most of our shareholder earnings in the infrastructure and operation of the company to serve our customers."

The common stock dividend increase will result in an indicated annual dividend of \$0.595 per share for 2007, a 4.4 percent increase over the 2006 annual dividend of \$0.57. Payment of dividends is subject to declaration and approval by the board each quarter.

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 service to 346,000 electric and 306,000 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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