

Thoren Diane C
 Form 4
 December 10, 2010

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549**

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
 Thoren Diane C

(Last) (First) (Middle)
 1411 E. MISSION AVENUE
 (Street)

SPOKANE, WA 99202

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
 AVISTA CORP [AVA]

3. Date of Earliest Transaction
 (Month/Day/Year)
 12/10/2010

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

____ Director _____ 10% Owner
 ____ Officer (give title below) Other (specify below)
 Treasurer

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|----------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | Code | V | Amount | (D) | Price |
| Common Stock - 2001 Option Grant | 12/10/2010 | | M ⁽¹⁾ | | 1,300 | A | \$ 11.8 |
| Common Stock - 2001 Option Grant | 12/10/2010 | | S ⁽¹⁾ | | 1,300 | D | \$ 22 |
| Common Stock held in 401(k) Plan | | | | | | | 4,152 |
| Common Stock held in | | | | | | | 946 |

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| | | | | | | |
|--|--|----|--|---|--|--------------------------|
| Executive Deferral Account | | | | | | |
| Common Stock held by Grandson, Zachary Brown | | 37 | | I | | Held by Grandson |
| Common Stock held by Niece, Katherine Cuthill | | 37 | | I | | Held by Niece |
| Common Stock held by Niece, McIntyre Cuthill | | 12 | | I | | Held by Niece |
| Common Stock held by Granddaughter, McKenzie Brown | | 22 | | I | | Held by Granddaughter |
| Common Stock held by Grandson, Colton Materne | | 14 | | I | | Held by Grandson |
| Common Stock held by Granddaughter, Avery Materne | | 7 | | I | | Held by Granddaughter |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. I De Sec (In |
|---|--|---|---|--------------------------------------|---|--|---|--------------------------|
| | | | | Code | V (A) (D) | | Title | |

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| | | | | | Date Exercisable | Expiration Date | | Amount or Number of Shares |
|---------------------------------|---------|------------|---|-------|---------------------|--------------------|-----------------|--|
| Exercise of Stock Options | \$ 11.8 | 12/10/2010 | M | 1,300 | <u>(2)</u> | 11/08/2011 | Common Stock | 1,300 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-----------|
| | Director | 10% Owner | Officer | Other |
| Thoren Diane C 1411 E. MISSION AVENUE SPOKANE, WA 99202 | | | | Treasurer |

Signatures

/s/ Diane C
Thoren

12/10/2010

**Signature of
Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Exercise and Sale of Options from November 2001.
- (2) Options vest in four equal annual installments beginning the first anniversary of the grant date. Ms. Thoren acquired an option grant of 5,200 shares November 08,2001.
- (3) Total reflects the number of derivative securities remaining for this particular option grant.

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