

Thoren Diane C
Form 4
January 12, 2011

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)
01/11/2011

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

____ Director
____ Officer (give title below) 10% Owner
____ 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) | | |
|---|--------------------------------------|--|--------------------------------|---|---|--|---|-------|------------|
| | | | | (A) or (D) | Price | | | | |
| | | | | Code | V | Amount | | | |
| Common Stock - Performance Shares | 01/11/2011 | | M | 920 | A | (\$) | 2,974 | D | |
| Common Stock - Performance Shares | 01/11/2011 | | F | 282 | (2) | D | \$ 22.95 | 2,692 | D |
| Common Stock held in 401(k) Investment Plan | | | | | | | 4,350 | I | by Trustee |
| Common Stock held in | | | | | | | 975 | I | by trustee |

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| | | | | | | | |
|--|--|--|--|----|---|--|--------------------------|
| Executive Deferral Plan | | | | | | | |
| Common Stock held by Grandson, Zachary Brown | | | | 39 | I | | held by Grandson |
| Common Stock held by Niece, Katherine Cuthill | | | | 39 | I | | held by Niece |
| Common Stock held by Niece, McIntyre Cuthill | | | | 13 | I | | held by Niece |
| Common Stock held by Granddaughter, McKenzie Brown | | | | 24 | 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. P Der Sec (Ins | |
|---|--|---|---|--------------------------------------|--|--|---|----------------------------|--------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or |

| | | | | | | | | |
|--|------------|------------|---|-----|------------|------------|-----------------|-------------------------------|
| Conversion of 2008 Performance Shares | <u>(1)</u> | 01/11/2011 | M | 800 | <u>(1)</u> | <u>(1)</u> | Common Stock | Number of Shares 800 |
|--|------------|------------|---|-----|------------|------------|-----------------|-------------------------------|

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

01/12/2011

**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) Each performance share represented a contingent right to receive a share of Avista Common Stock upon Avista achieving a specified performance measure.
- (2) Shares withheld to pay income tax on Performance Shares acquired 1/11/2011

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.