

PETERSON RONALD R
Form 4
February 13, 2006

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

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 *
PETERSON RONALD R

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

5. Relationship of Reporting Person(s) to Issuer
(Check all applicable)

(Last) (First) (Middle)
1411 E MISSION AVE
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
02/09/2006

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

SPOKANE, WA 99202
(City) (State) (Zip)

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

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)
Common Stock-Restricted Shares	02/09/2006		A	1,000 A (1)	1,000	D	
Common Stock-Restricted Stock	02/09/2006		A	100 A (1)	100	I	Held by Spouse
Common Stock-Performance Share Award	02/09/2006		M	6,360 A (2)	6,360	D	
Common Stock-Performance	02/09/2006		M	600 A (2)	600	I	Held by Spouse

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) Restricted shares vest one-third each year over a three-year period and are payable in Avista Corp. Common Stock at the end of each year in the three-year period if targets are met.
- (2) Shares are received in satisfaction of 2003 performance grant.
- (3) 2003 Performance Grant-disposition of Derivative Securities.
- (4) No conversation price - Shares awarded if performance measure is met.
- (5) Each performance cycle is three years in length. Shares will be issued at the end of each three-year cycle if performance measure is met.

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.