

Thoren Diane C
 Form 4
 December 15, 2009

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)
 12/14/2009

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 (A) or (D) Price			
Common Stock	12/14/2009		M ⁽¹⁾	1,300 A \$ 11.8	19,510	D	
Common Stock	12/14/2009		S ⁽¹⁾	1,300 D \$ 21.7362	18,210	D	
Common Stock	12/14/2009		M ⁽¹⁾	675 A \$ 10.17	18,885	D	
Common Stock	12/14/2009		S ⁽¹⁾	675 D \$ 21.7222	18,210	D	
Common Stock held in 401(k)					4,024	I	by Trustee

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Investment Plan			
Common Stock held in Executive Deferral Account	944	I	by Trustee
Common Stock held as Custodian for Zachery Brown	37	I	by Grandson
Common Stock held as Custodian for Meagan Cuthill	56	I	by Niece
Common Stock held as Custodian for Katherine Cuthill	37	I	by Niece
Common Stock held as Custodian for McIntyre Cuthill	12	I	by Niece
Common Stock held as Custodian for McKenzie Brown	22	I	by Granddaughter
Common Stock held as Custodian for Colton Materne	13	I	by Grandson

Common
Stock held
as
Custodian
for Avery
Materne

7 I by
Granddaughter

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

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**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 (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. Amount or Number of Shares
Exercise of Stock Option	\$ 11.8	12/14/2009		M	1,300	11/08/2002 11/08/2011	Common Stock	1,300
Exercise of Stock Option	\$ 10.17	12/14/2009		M	675	11/07/2003 11/07/2012	Common Stock	675

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
12/15/2009
Date

Signature of
Reporting Person

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 Option Grant.
- (2) Total reflects the number of derivative securities remaining for this particular option grant.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
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