

Thoren Diane C
Form 4
August 31, 2010

FORM 4

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

OMB APPROVAL

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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 *
Thoren Diane C

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 AVENUE

3. Date of Earliest Transaction (Month/Day/Year)
08/31/2010

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

(Street)
SPOKANE, WA 99202

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

(City) (State) (Zip)

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 | 08/31/2010 | | M ⁽¹⁾ | 2,600 A \$ 11.8 | 4,694 | D | |
| Common Stock - 2001 Option Grant | 08/31/2010 | | S | 2,600 D \$ 20.8745 | 2,094 | D | |
| Common Stock held in 401(k) Plan | | | | | 4,152 | I | by Trustee |
| Common Stock held in | | | | | 946 | I | by Trustee |

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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

by Niece

Common Stock
held by Niece,
McIntyre
Cuthill

12

I

by Niece

Common Stock
held by
Granddaughter,
McKenzie
Brown

22

I

by
Granddaughter

Common Stock
held by
Grandson,
Colton Materne

14

I

by Grandson

Common Stock
held by
Granddaughter,
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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(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 |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|------|
| | | | | | | | Title | |

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| | | | | | Date Exercisable | Expiration Date | | Amount or Number of Shares |
|---------------------------------|---------|------------|---|-------|---------------------|--------------------|-----------------|--|
| Exercise of Stock Options | \$ 11.8 | 08/31/2010 | M | 2,600 | (2) | 11/08/2011 | Common Stock | 2,600 |

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

08/31/2010

**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 on November 08, 2001.
 - (3) 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. 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.