

Thoren Diane C
 Form 4
 February 07, 2011

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

(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)
 02/03/2011

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 - Restricted Shares | 02/03/2011 | | A | | 400 | A | 11 3,092 |
| Common Stock held in 401(k) Investment Plan | | | | | | I | 4,350 by Trustee |
| Common Stock held in Executive Deferral Account | | | | | | I | 975 by Trustee |

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| | | | |
|--|----|---|-----------------------|
| Common Stock held by Grandson, Zachary Brown | 39 | I | 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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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. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title |

| | | | | | | | | | |
|--------------------|-----|------------|---|-------|-----|-----|--------------|-------|---|
| Performance Shares | (2) | 02/03/2011 | A | 1,800 | (3) | (3) | Common Stock | 1,800 | S |
|--------------------|-----|------------|---|-------|-----|-----|--------------|-------|---|

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

02/07/2011

**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) 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.
- (2) No conversion price. Shares awarded if performance measure is met.
- (3) 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.