

**INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES**

OMB APPROVAL	
OMB Number:	3235-0104
Estimated average burden hours per response:	0.5

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* <u>KENSOK JAMES M</u>  (Last) (First) (Middle) <u>1411 E MISSION AVENUE</u>  (Street) <u>SPOKANE WA 99202</u>  (City) (State) (Zip)	2. Date of Event Requiring Statement (Month/Day/Year) <u>12/19/2006</u>	3. Issuer Name and Ticker or Trading Symbol <u>AVISTA CORP [ AVA ]</u>	
		4. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>Vice President &amp; CIO</u>	5. If Amendment, Date of Original Filed (Month/Day/Year)  6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Beneficially Owned**

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
---------------------------------	---	--	---

**Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)		4. Conversion or Exercise Price of Derivative Security	5. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			
<u>2004 Performance Share Grant</u>	(1)	(1)	<u>Common Stock</u>	<u>1,200</u>	(2)	<u>D</u>	
<u>2005 Performance Share Grant</u>	(1)	(1)	<u>Common Stock</u>	<u>1,200</u>	(2)	<u>D</u>	
<u>2006 Performance Share Grant</u>	(1)	(1)	<u>Common Stock</u>	<u>1,200</u>	(2)	<u>D</u>	

**Explanation of Responses:**

- 1. Each performance cycle is three years in length. Shares are issued at the end of each three-year cycle if performance measure is met.
- 2. No conversion price - shares awarded if performance measure is met.

/s/ James M. Kensok

12/21/2006

\*\* Signature of Reporting Person

Date

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

\* If the form is filed by more than one reporting person, see Instruction 5 (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).

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.