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

**SCHEDULE 13G/A**

**Under the Securities Exchange Act of 1934  
(Amendment No. 2)\***

**AVISTA CORPORATION**

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(Name of Issuer)

**Common Stock, no Par Value**

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(Title of Class of Securities)

**05379B107**

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(CUSIP Number)

**December 31, 2001**

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(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

// Rule 13d-1(b)

/x/ Rule 13d-1(c)

// Rule 13d-1(d)

\*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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CUSIP No. 05379B107

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(1) Names of Reporting Persons.  
I.R.S. Identification Nos. of above persons (entities only).

Cascade Investment, L.L.C.

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(2) Check the Appropriate Box if a Member of a Group (See Instructions) (a) // (b) //

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(3) Sec Use Only

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(4) Citizenship or Place of Organization

State of Washington

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Number of Shares Beneficially Owned by Each Reporting Person (5) Sole Voting Power  
With:

- -0-

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(6) Shared Voting Power

3,187,500

(7) Sole Dispositive Power

- -0-

(8) Shared Dispositive Power

3,187,500

(9) Aggregate Amount Beneficially Owned by Each Reporting Person

3,187,500

(10) Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions) //

(11) Percent of Class Represented by Amount in Row (9)

6.7%

(12) Type of Reporting Person (See Instructions)

CO

2

CUSIP No. 05379B107

(1) Names of Reporting Persons.

I.R.S. Identification Nos. of above persons (entities only).

William H. Gates III

(2) Check the Appropriate Box if a Member  
of a Group (See Instructions)

(a) //

(b) //

(3) Sec Use Only

(4) Citizenship or Place of Organization

United States of America

Number of Shares Beneficially Owned by Each Reporting Person  
With:

(5) Sole Voting Power

- -0-

(6) Shared Voting Power

3,187,500

(7) Sole Dispositive Power

- -0-

(8) Shared Dispositive Power

3,187,500

(9) Aggregate Amount Beneficially Owned by Each Reporting Person

3,187,500

(10) Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions) //

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(11) Percent of Class Represented by Amount in Row (9)

6.7%

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(12) Type of Reporting Person (See Instructions)

IN

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**ITEM 1.**

(a) Name of Issuer

Avista Corporation (the "Issuer")

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(b) Address of Issuer's Principal Executive Offices

1411 East Mission Avenue, Spokane, Washington, 99202

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**ITEM 2.**

(a) Name of Person Filing

(1) Cascade Investment, L.L.C. ("Cascade")

(2) William H. Gates III

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(b) Address of Principal Business Office or, if none, Residence

(1) 2365 Carillon Point, Kirkland, Washington 98033

(2) One Microsoft Way, Redmond, WA 98052

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(c) Citizenship

(1) Cascade is a limited liability company organized under the laws of the State of Washington.

(2) William H. Gates III is a citizen of the United States of America.

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(d) Title of Class of Securities

Common Stock, no Par Value

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(e) CUSIP Number

05379B107

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**ITEM 3.** Not Applicable.

**ITEM 4. OWNERSHIP**

(a) Amount beneficially owned:

3,187,500

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(b) Percent of class:

6.7%

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(c) Number of shares as to which the person has:

(i) Sole power to vote or to direct the vote

- -0-

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(ii) Shared power to vote or to direct the vote

3,187,500

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(iii)	Sole power to dispose or to direct the disposition of
	- -0-
(iv)	Shared power to dispose or to direct the disposition of
	3,187,500

\* All shares held by Cascade may be deemed to be beneficially owned by William H. Gates III as the sole member of Cascade. Michael Larson, Cascade's manager and executive officer, has voting and investment power with respect to the Common Stock held by Cascade. Mr. Larson disclaims beneficial ownership of the Common Stock beneficially owned by Cascade and Mr. Gates.

**ITEM 5. OWNERSHIP OF FIVE PERCENT OR LESS OF A CLASS**

Not Applicable.

**ITEM 6. OWNERSHIP OF MORE THAN FIVE PERCENT ON BEHALF OF ANOTHER PERSON**

Not Applicable.

**ITEM 7. IDENTIFICATION AND CLASSIFICATION OF THE SUBSIDIARY WHICH ACQUIRED THE SECURITY BEING REPORTED ON BY THE PARENT HOLDING COMPANY**

Not Applicable.

**ITEM 8. IDENTIFICATION AND CLASSIFICATION OF MEMBERS OF THE GROUP**

Not Applicable.

**ITEM 9. NOTICE OF DISSOLUTION OF GROUP**

Not Applicable.

**ITEM 10. CERTIFICATION**

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired and are held in the ordinary course of business and were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

**SIGNATURE**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

February 12, 2002

Date

Cascade Investment, L.L.C.  
By /s/ MICHAEL LARSON

Michael Larson, Manager

By /s/ MICHAEL LARSON

William H. Gates III,  
by Michael Larson as attorney-in-fact\*

**JOINT FILING AGREEMENT**

We, the signatories of the statement to which this Joint Filing Agreement is attached, hereby agree that such statement is filed, and any amendments thereto filed by either or both of us will be filed, on behalf of each of us.

Date

Cascade Investment, L.L.C.  
By /s/ MICHAEL LARSON

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Michael Larson, Manager

By /s/ MICHAEL LARSON

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William H. Gates III,  
by Michael Larson as attorney-in-fact\*

\* Duly authorized under power of attorney dated March 14, 2001, by and on behalf of William H. Gates III, filed with Cascade's Amendment No. 1 to Schedule 13D with respect to Pan American Silver Corp. on March 19, 2001, SEC File Number 005-52919, and incorporated by reference herein.

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