

OMB APPROVAL	
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**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

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>WOODWORTH ROGER D</u>  (Last) (First) (Middle) <u>1411 E MISSION AVE</u>  (Street) <u>SPOKANE WA 99202</u>  (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>AVISTA CORP [ AVA ]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)  Director 10% Owner Officer (give title below) Other (specify below)  <u>Vice President</u>
	3. Date of Earliest Transaction (Month/Day/Year) <u>08/21/2008</u>	
	4. 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  <input type="checkbox"/> 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	08/21/2008		M		6,100	A	\$18.63	17,984	D	
Common Stock	08/21/2008		S		6,100	D	\$22.8433	11,884	D	
Common Stock held in 401(k) Investment Plan								17,827	I	by Trustee
Common Stock held in Executive Deferral Plan								4,835	I	by Trustee
Common Stock held in IRA								400	I	by Trustee
Common Stock held in Spouse's IRA								1,000	I	by Trustee
Common Stock held by Son Patrick D. Woodworth								114	I	by Child
Common Stock held by Son Bryce A. Woodworth								154	I	by Child
Common Stock held by Daughter Brianna M. Woodworth								114	I	by Child

**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 Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)	
				Code	V		(A)	(D)						Date Exercisable
Exercise of Stock Option	\$18.63	08/21/2008		M		6,100	(I)	11/12/2008	Common Stock	6,100	\$22.8433	0 <sup>(2)</sup>	D	

**Explanation of Responses:**

- Options vest in four equal annual installments beginning on the first anniversary of the grant date. 6,100 options were granted on 11/12/1998.
- Total reflects the number of derivative securities remaining under this particular option grant.

/s/ Roger D. Woodworth 08/21/2008  
 \*\* 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 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).

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.