

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

| OMB APPROVAL | |
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| OMB Number: | 3235-0287 |
| Estimated average burden hours per response: | 0.5 |

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|---|---|---|
| 1. Name and Address of Reporting Person* <u>MEYER DAVID J</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 <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>Vice President</u> |
| | 3. Date of Earliest Transaction (Month/Day/Year) <u>09/11/2008</u> | |
| 4. If Amendment, Date of Original Filed (Month/Day/Year) | | |

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 | 09/11/2008 | | M | | 14,540 ⁽¹⁾ | A | \$18.31 | 16,706 | D | |
| Common Stock | 09/11/2008 | | M | | 5,460 ⁽¹⁾ | A | \$18.31 | 22,166 | D | |
| Common Stock | 09/11/2008 | | S | | 14,540 ⁽¹⁾ | D | \$22.0113 | 7,626 | D | |
| Common Stock | 09/11/2008 | | S | | 5,460 ⁽¹⁾ | D | \$22.007 | 2,166 | D | |
| Common Stock held in 401(k) Investment Plan | | | | | | | | 9,904 | I | by Trustee |
| Common Stock held in Executive Deferral Plan | | | | | | | | 8,414 | I | by Trustee |
| Common Stock held in IRA at D.A. Davidson & Co. | | | | | | | | 5,743 | I | by Trustee |

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 | Expiration Date | | | | | | Title |
| Exercise of Stock Option | \$18.31 | 09/11/2008 | | M | | | 14,540 | (2) | 09/16/2008 | Common Stock | 14,540 | \$22.0113 | 0 ⁽⁴⁾ | D | |
| Exercise of Stock Option | \$18.31 | 09/11/2008 | | M | | | 5,460 | (3) | 09/16/2008 | Common Stock | 5,460 | \$22.007 | 0 ⁽⁴⁾ | D | |

Explanation of Responses:

- Transaction per Mr. Meyer's 10b5-1 Plan dated March 13, 2008.
- Options vest in four equal annual installments beginning on the first anniversary of the grant date. Mr. Meyer received an option grant of 14,540 shares on 09/16/1998.
- Options vest in four equal annual installments beginning on the first anniversary of the grant date. Mr. Meyer received an option grant of 5,460 shares on 09/16/1998.
- Total reflects the number of derivative securities remaining under this particular option grant.

/s/ David J. Meyer

09/15/2008

** 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.