

Pricing Supplement
Dated December 13, 2000
(To Prospectus dated August 17, 1999
as supplemented by Prospectus
Supplement dated August 19, 1999)

Filing under Rule 424(b)(3)
Registration No. 333-82165

AVISTA CORPORATION
MEDIUM-TERM NOTES, SERIES D
FIXED RATE NOTES

Principal Amount: \$45,000,000
Original Interest Accrual Date: December 18, 2000
Stated Maturity: December 20, 2001
Interest Rate: 8.00% per annum*

Price to Public: 100%
Agent's Commission: \$67,500
Proceeds to Company: \$44,932,500
Redeemable at Company's Option: Yes No X
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Interest Payment Dates: Each March 1 and
 September 1, commencing March 1, 2001
Regular Record Dates: February 15 and August 15

OID: Yes No X
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Use of Proceeds: To reduce short term debt.

Other Provisions: *The interest rate payable on the Notes will be subject to permanent adjustment to (i) 8.25% per annum in the event that one of Moody's Investors Service, Inc. and Standard & Poor's Rating Services changes its rating on the Medium-Term Notes, Series D program to be below investment grade, and (ii) 8.50% per annum if the other rating agency subsequently changes its rating on the Medium-Term Notes, Series D program to be below investment grade, as described in Attachment 1 to this Pricing Supplement.

The Securities and Exchange Commission and state securities regulators have not approved or disapproved of these securities, or determined if this pricing supplement or the accompanying prospectus supplement or prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

MORGAN STANLEY DEAN WITTER

MERRILL LYNCH & CO.

SALOMON SMITH BARNEY

THIS PRICING SUPPLEMENT AND THE ACCOMPANYING PROSPECTUS SUPPLEMENT AND PROSPECTUS INCORPORATE BY REFERENCE IMPORTANT BUSINESS AND FINANCIAL INFORMATION ABOUT AVISTA CORP. THAT IS NOT INCLUDED IN OR DELIVERED WITH THE PROSPECTUS. THIS INFORMATION IS AVAILABLE TO YOU AS SET FORTH IN THE ACCOMPANYING PROSPECTUS.

ATTACHMENT 1

INTEREST RATE ADJUSTMENT

The interest rate on the Notes will be subject to adjustment in the event that Moody's Investors Service, Inc. ("Moody's") and/or Standard & Poor's Rating Services ("S&P") change their ratings on the Medium-Term Notes, Series D program to be below investment grade (below Baa3 for Moody's or below BBB- for S&P). Avista Corp.'s current Medium-Term Notes, Series D program rating is Baa2 by Moody's, and BBB by S&P.

If only one of Moody's and S&P announces such a negative rating change, the initial interest rate on the Notes will be permanently increased by 25 basis points, to 8.25% per annum, commencing with the first Interest Payment Date

following such announcement. If the other rating agency subsequently also announces such a negative rating change, the interest rate on the Notes will be permanently increased by an additional 25 basis points, to 8.50% per annum, commencing with the first Interest Payment Date following the date the second downgrade is announced.