

AVISTA CORP  
Form 4  
April 24, 2007

**FORM 4**

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

OMB APPROVAL

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

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
**PETERSON RONALD R**

(Last) (First) (Middle)  
1411 E MISSION AVE  
(Street)

SPOKANE, WA 99202

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
**AVISTA CORP [AVA]**

3. Date of Earliest Transaction  
(Month/Day/Year)  
04/20/2007

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
Vice President

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
\_\_\_\_ 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 or (D) Price			
Common Stock	04/20/2007		M	3,800 (1) A (1)	5,490	D	
Common Stock	04/20/2007		S	3,800 (1) D \$ 24.1034	1,690	D	
Common Stock	04/20/2007		M	900 (2) A (2)	1,503	I	by Spouse
Common Stock	04/20/2007		S	900 (2) D \$ 24.1034	603	I	by Spouse
Common Stock held in					12,630	I	by Trustee

Executive Deferral Plan							
Common Stock held in 401(k) Investment Plan					9,946	I	by Trustee
Common Stock held in Spouse's Executive Deferral Plan					605	I	by Trustee
Common Stock held in Spouse's 401(k) Investment Plan					1,369	I	by Trustee

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

**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 control number.**

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**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 Underlying Securities (Instr. 3 and 4)	8. Amount or Number of Shares	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	
Employee Stock Options <u>(1)</u>	\$ 22.54	04/20/2007		M	3,800	<u>(3)</u>	11/09/2010	Common Stock	3,800
Employee Stock Options <u>(2)</u>	\$ 22.54	04/20/2007		M	900	<u>(4)</u>	11/09/2010	Common Stock	900

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
PETERSON RONALD R 1411 E MISSION AVE SPOKANE, WA 99202			Vice President	

## Signatures

/s/ Ronald R.  
Peterson

04/24/2007

    Signature of  
Reporting Person

Date

## Explanation of Responses:

- \* 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).
- (1) Per Ronald R. Peterson's 10b5-1 Sales Plan dated December 14, 2006 - Exercise of Employee Stock Options under the Company's Long-Term Incentive Plan. 8,500 Options were granted on 11/09/2000 at an option price of \$22.54.
- (2) Per Beth V. Peterson's (spouse of Ronald R. Peterson) 10b5-1 Sales Plan dated December 14, 2006 - Exercise of Employee Stock Options under the Company's Long-Term Incentive Plan. 3,100 Options were granted on 11/09/2000 at an option price of \$22.54.
- (3) Options vest in four equal annual installments beginning on the first anniversary of the grant date. 8,500 options were granted on 11/09/2000.
- (4) Options vest in four equal annual installments beginning on the first anniversary of the grant date. 3,100 options were granted on 11/09/2000.
- (5) Total reflects the number of derivative securities remaining under this particular option grant.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.