

Thoren Diane C
 Form 4
 December 10, 2010

FORM 4

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

OMB APPROVAL

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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 *
 Thoren Diane C

(Last) (First) (Middle)
 1411 E. MISSION AVENUE
 (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)
 12/10/2010

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) ___X___ Other (specify below)
 Treasurer

6. Individual or Joint/Group Filing(Check Applicable Line)
 ___X___ 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)
				(A) or (D)	Price		
				Code	V	Amount	
Common Stock - 2001 Option Grant	12/10/2010		M ⁽¹⁾	A	\$ 11.8	3,394	D
Common Stock - 2001 Option Grant	12/10/2010		S ⁽¹⁾	D	\$ 22	2,904	D
Common Stock held in 401(k) Plan						4,152	I
Common Stock held in						946	I
							Held by Trustee
							by Trustee

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Executive Deferral Account						
Common Stock held by Grandson, Zachary Brown		37		I		Held by Grandson
Common Stock held by Niece, Katherine Cuthill		37		I		Held by Niece
Common Stock held by Niece, McIntyre Cuthill		12		I		Held by Niece
Common Stock held by Granddaughter, McKenzie Brown		22		I		Held by Granddaughter
Common Stock held by Grandson, Colton Materne		14		I		Held by Grandson
Common Stock held by Granddaughter, Avery Materne		7		I		Held by Granddaughter

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

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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. I De Sec (In
				Code	V (A) (D)		Title	

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					Date Exercisable	Expiration Date		Amount or Number of Shares
Exercise of Stock Options	\$ 11.8	12/10/2010	M	1,300	(2)	11/08/2011	Common Stock	1,300

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Thoren Diane C 1411 E. MISSION AVENUE SPOKANE, WA 99202				Treasurer

Signatures

/s/ Diane C
Thoren

12/10/2010

**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) Exercise and Sale of Options from November 2001.
- (2) Options vest in four equal annual installments beginning the first anniversary of the grant date. Ms. Thoren acquired an option grant of 5,200 shares November 08,2001.
- (3) Total reflects the number of derivative securities remaining for 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.