

Thoren Diane C
Form 4
May 23, 2011

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 *
Thoren Diane C

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
05/20/2011

____ Director
____ Officer (give title below) 10% Owner
____ Other (specify below)
Treasurer

1411 E. MISSION AVENUE

(Street)

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

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

SPOKANE, WA 99202

(City) (State) (Zip)

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) |
|---|--------------------------------------|--|--------------------------------|---|---|--|---|
| Common Stock | 05/20/2011 | | M ⁽¹⁾ | V Amount (A) or (D) Price | 1,000 A \$ 10.17 | 4,092 | D |
| Common Stock | 05/20/2011 | | S ⁽¹⁾ | V Amount (A) or (D) Price | 1,000 A \$ 25.297 | 3,092 | D |
| Common Stock held in 401(k) Plan | | | | | | 4,350 | I held by Trustee |
| Common Stock held in Executive Deferral Account | | | | | | 975 | I held by Trustee |

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| | | | |
|--|----|---|-----------------------|
| Common Stock held by Grandson, Zachary Brown | 39 | I | held by Grandson |
| Common Stock held by Niece, Katherine Cuthill | 39 | I | held by Niece |
| Common Stock held by Niece, McIntyre Cuthill | 13 | I | held by Niece |
| Common Stock held by Granddaughter, McKenzie Brown | 24 | I | held by Granddaughter |
| Common Stock held by Grandson, Colton Avery | 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.

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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(9-02)

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 | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------|----------------------------|
| | | | | | | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| | | | | Code | V (A) (D) | | | | |

| | | | | | | | | | |
|---------------------------------|----------|------------|---|-------|------------|------------|-----------------|-------|----|
| Exercise of Stock Options | \$ 10.17 | 05/20/2011 | M | 1,000 | <u>(2)</u> | 11/07/2012 | Common Stock | 1,000 | \$ |
|---------------------------------|----------|------------|---|-------|------------|------------|-----------------|-------|----|

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 | 05/23/2011 |
|-----------------------|------------|

| | |
|------------------------------------|------|
| **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 Option Grant scheduled to expire November 2012.
- (2) Option vest in four equal annaul installments beginning the first anniversary of the grant date. Ms. Thoren acquired an option grant in November 2002.
- (3) Total reflects the number of derivative securities remaining for this particular 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.