

AVISTA CORP

Form 4

April 24, 2007

FORM 4
UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

OMB APPROVAL

OMB
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(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
____X____ Officer (give title below) ____ Other (specify below)

Vice President

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)
Common Stock	04/20/2007		M	Amount (1) 3,800 (1)	A (1) 5,490	D	
Common Stock	04/20/2007		S	Amount (1) 3,800 (1)	D \$ 24.1034 1,690	D	
Common Stock	04/20/2007		M	Amount (2) 900 (2)	A (2) 1,503	I	by Spouse
Common Stock	04/20/2007		S	Amount (2) 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.

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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.		
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
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 Date
Reporting Person

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.
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