Instruction 1(b).

FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See

## UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

| STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP |
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**OMB APPROVAL** OMB Number: Estimated average burden hours per response: 0.5

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

| 1. Name and Address of Reporting Person* <u>Kopczynski Don F</u> |   |  |  |                        | AVISTA CORP [ AVA ]   |        |  |         |                        |  |                     |   |        |  | eck all applic<br>Directo  | irector  |   | 10% Ov   | wner   |
|--|---|--|--|------------------------|---|--------|--|---------|------------------------|--|---------------------|---|--------|--|--|--|---|--|--|
| (Last) (First) (Middle) 1411 E. MISSION AVENUE (MSC-10)          |   |  |  |                        | 3. Date of Earliest Transaction (Month/Day/Year) 02/15/2008 |        |  |         |                        |  |                     |   |        | C Officer below)                       | Officer (give title Other (specify below) Vice President   |  |   |  |  |
| (Street) SPOKANE WA 99202 (City) (State) (Zip)                   |   |  |  |                        | 4. If Amendment, Date of Original Filed (Month/Day/Year)    |        |  |         |                        |  |                     |   |        | Line                                   | Individual or Joint/Group Filing (Check Applicable ine)  X Form filed by One Reporting Person Form filed by More than One Reporting Person |  |   |  |  |
| Date   |   |  |  |                        | ative<br>action<br>Day/Yea                                  | ar) if | 2A. Deemed Execution Date, if any (Month/Day/Year) |         | 3.<br>Transa<br>Code ( | 3. 4. Secu<br>Transaction Dispos<br>Code (Instr. 5)  |                     |   | quired |  | 5. Amount of   |  | 6. Ownership<br>Form: Direct<br>(D) or Indirect<br>(I) (Instr. 4) |  | 7. Nature of<br>Indirect<br>Beneficial<br>Ownership                |
|  |   |  |  |                        |   |        |  | .y, . o | Code                   | v  | Amount              | (A  | A) or  | Price                                  | Reported<br>Transact<br>(Instr. 3 a  | l<br>ion(s)  | (,, (   |  | Instr. 4)  |
| Common Stock - Restricted Shares 02/1                            |   |  |  |                        | 5/2008  |        |  |         | A                      |  | 1,300               | )   | A      | (1)                                    | 11,778   |  |   | D  |  |
| Common Stock held in 401(k) Investment<br>Plan                   |   |  |  |                        |   |        |  |         |                        |  |                     |   |        |  | 5,:  | 131  |   |  | оу<br>Frustee  |
| Common Stock held in Executive Deferral<br>Plan                  |   |  |  |                        |   |        |  |         |                        |  |                     |   |        |  | 384  |  |   |  | оу<br>Frustee  |
| Common Stock held by child Kristen M.<br>Kopczynski              |   |  |  |                        |   |        |  |         |                        |  |                     |   |        |  | 16   |  |   | I I  | oy Child   |
|  |   | Ta   | able II - I                                  |                        |   |        |  |         |                        |  | sed of,<br>onvertil |   |        |  | Owned  |  |   |  |  |
| 1. Title of<br>Derivative<br>Security<br>(Instr. 3)              | 2.<br>Conversion<br>or Exercise<br>Price of<br>Derivative<br>Security | 3. Transaction<br>Date<br>(Month/Day/Year) | 3A. Deem<br>Execution<br>if any<br>(Month/Da | Date, Transa<br>Code ( |   |        | of I   |         | Expiration             | 5. Date Exercisa<br>Expiration Date<br>Month/Day/Yea |                     | 7. Title and<br>Amount of<br>Securities<br>Underlying<br>Derivative Se<br>(Instr. 3 and 4 |        |  | 8. Price of<br>Derivative<br>Security<br>(Instr. 5)  | 9. Numbe<br>derivative<br>Securities<br>Beneficia<br>Owned<br>Following<br>Reported<br>Transacti<br>(Instr. 4) | e<br>s<br>ully  | 10.<br>Ownership<br>Form:<br>Direct (D)<br>or Indirect<br>(I) (Instr. 4) | 11. Nature<br>of Indirect<br>Beneficial<br>Ownership<br>(Instr. 4) |
|  |   |  |  |                        | Code  | v      | (A)  | (D)     | Date<br>Exercisal      |  | Expiration<br>Date  | Title   | 0 0    | amount<br>or<br>lumber<br>of<br>Shares |  |  |   |  |  |
| Performance  | (2)   | 02/15/2008                                 |  |                        | Α   |        | 5,100  |         | (3)                    |  | (3)                 | Comm  | ion    | 5,100                                  | \$21.54  | 5,100  |   | D  |  |

## **Explanation of Responses:**

- 1. Restricted shares vest one-third each year over a three-year period and are payable in Avista Corp. Common stock at the end of each year in the three-year period.
- 2. No conversion price. Shares awarded if performance measure is met.
- 3. Each performance cycle is three years in length. Shares will be issued at the end of each three-year cycle if performance measure is met.

02/19/2008 /s/ Don F. Kopczynski

\*\* Signature of Reporting Person Date

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

- \* 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).

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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