FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington D.C. 20549

| STATEMENT | OF CHANGES | S IN BENEFICIAL | OWNERSHIP |
|-----------|------------|-----------------|------------------|
| | | | |

OMB APPROVAL

OMB Number: 3235-0287

Estimated average burden hours per response: 0.5

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

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>GUSTAVEL JACK W</u> | | | | | | 2. Issuer Name and Ticker or Trading Symbol AVISTA CORP [AVA] | | | | | | | | | | olicable) | | Person(s) to Issuer 10% Owner | |
|--|--|--------|--|-----------------|---|---|--------|--|---|---|-----------------------|------------------------|--|---|---|--|--|--------------------------------|--|
| (Last) 1411 E. N | | | | | 3. Date of Earliest Transaction (Month/Day/Year) 08/10/2009 | | | | | | | | Offic belov | er (give title w) | | er (specify ow) | | | |
| (Street) SPOKAN (City) | | | 99202 Zip) | | 4. If | Amen | dment, | , Date o | of Origin | ial File | d (Month/Da | ay/Year) | | 6. Indiv Line) X | Forn | n filed by One n filed by Moi | o Filing (Chec e Reporting F re than One F | erson | |
| | | Tabl | e I - No | on-Deriv | /ative | Sec | uritie | s Ac | quirec | d, Di | sposed o | f, or E | Benefic | ially | Owne | ed | | | |
| 1. Title of Security (Instr. 3) 2. Transacti Date (Month/Day) | | | | Execution Date, | | Date, | | | es Acquired (A) or Of (D) (Instr. 3, 4 a | | ind 5) Secur Benet | | icially d Following | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | of Indirect | | | | |
| | | | | | | | | | Code | v | Amount | (A) o (D) | r Price | | Trans | action(s) 3 and 4) | | (| |
| Common Stock 08/10/2 | | | 2009 | 009 | | P | | 308 | A | A \$19.3505 | | 3 | 32,613 | D | | | | | |
| Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities) | | | | | | | | | | | | | | | | | | | |
| Derivative Conversion Date Execusescurity or Exercise (Month/Day/Year) if any | | if any | emed on Date, Day/Year) 4. Transact Code (in | | | | | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | 7. Title and Amount of Securities Underlying Derivative Security (Instr. : and 4) | | Deriv Secu (Inst | | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction (Instr. 4) | Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | Beneficial Ownership ct (Instr. 4) | | | |
| | | | | | Code | v | (A) | (D) | Date Exercis | sable | Expiration Date | Title | Amount or Number of Shares | | | | | | |

Explanation of Responses:

/s/ Jack W. Gustavel

08/10/2009

** 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.

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 Number.