

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington D.C. 20549

FORM 8-K

CURRENT REPORT

**PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): February 9, 2007

AVISTA CORPORATION

(Exact name of registrant as specified in its charter)

Washington
(State or other jurisdiction
of incorporation)

1-3701
(Commission File Number)

91-0462470
(I.R.S. Employer
Identification No.)

1411 East Mission Avenue, Spokane, Washington
(Address of principal executive offices)

99202-2600
(Zip Code)

Registrant's telephone number, including area code: 509-489-0500

Web site: <http://www.avistacorp.com>

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Section 5 – Corporate Governance and Management

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On February 9, 2007, Gary G. Ely, Chairman of the Board and Chief Executive Officer of Avista Corporation (Avista Corp. or the Company), announced to the Company's board of directors, that he will retire from the Company and the board effective December 31, 2007. Following Mr. Ely's announcement, the Company's board of directors appointed Scott L. Morris, President and Chief Operating Officer of Avista Corp., to serve as a director on the board effective immediately. The Company's board of directors also elected Mr. Morris to the positions of Chairman of the Board and Chief Executive Officer of Avista Corp. effective January 1, 2008.

Mr. Morris is not expected to serve on any committees of the Company's board of directors. As an employee director, Mr. Morris will not receive any additional compensation for service on the board. Mr. Morris' compensation and other employment agreements as Chief Executive Officer of Avista Corp. will be determined at a later date.

For further details, please refer to the press release filed as Exhibit 99.1 to this Current Report, which is incorporated herein by reference.

Section 9 – Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

99.1 Press release dated February 12, 2007.

Neither the filing of any press release as an exhibit to this Current Report nor the inclusion in such press releases of a reference to the Internet address of Avista Corp. or its subsidiaries shall, under any circumstances, be deemed to incorporate the information available at such Internet addresses into this Current Report. The information available at the Internet address of Avista Corp. or its subsidiaries is not part of this Current Report or any other report furnished or filed by Avista Corp. with the Securities and Exchange Commission.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

AVISTA CORPORATION

(Registrant)

Date: February 12, 2007

/s/ Gary G. Ely

Gary G. Ely
Chairman of the Board and
Chief Executive Officer

**Contact:**

Media: Jessie Wuerst (509) 495-8578, jessie.wuerst@avistacorp.com

Investors: Jason Lang (509) 495-2930 jason.lang@avistacorp.com

Avista 24/7 Media Access (509) 495-4174

Avista Corp. Chairman and CEO Gary G. Ely Announces Retirement Date Scott L. Morris elected chairman and CEO effective Jan. 1, 2008

SPOKANE, Wash. – Feb. 12, 2007, 1:30 p.m. PST: Avista Corp. (NYSE: AVA). Chairman of the Board and Chief Executive Officer Gary G. Ely announced to the company's board of directors that he will retire from the company and the board effective Dec. 31, 2007. Following the announcement, the company's board of directors elected Avista Corp. President and Chief Operating Officer Scott L. Morris as chairman and chief executive officer effective Jan. 1, 2008. In addition, the board appointed Morris as a director on the board effective immediately.

"We have been diligent and deliberate in the succession planning for our company over the past several years. I have every confidence in Scott Morris' ability to take on the leadership mantle at the end of this year. The executive team we now have in place is well qualified and well positioned to continue taking our company forward to meet our strategic objectives both financially and operationally," said Ely. "After 40 years with the company, I've seen many changes in technology and the ways we operate, but the one thing that has never changed is the dedication of our employees and their commitment to reliably serve our customers and bring value to our shareholders."

Ely joined the company in 1967 in the engineering department. Over the course of his career, he worked in virtually every area of the utility company and managed construction and operations for natural gas, hydroelectric, thermal generation and transmission. He also managed marketing, and state and federal regulatory relations. He was named executive vice president in 1999 and chairman of the board, president and chief executive officer in 2001. In addition, Ely chairs the boards of Avista subsidiaries Advantage IQ and Avista Energy.

Under Ely's direction, Avista weathered the 2000-2001 energy crisis and its financial impact on the company. Since December 2001, total shareholder return for Avista's investors has increased nearly 124 percent, significantly outperforming peer utilities in the region and the Standard & Poor's 400 MidCap Utility Index. Additionally, dividends have increased five times in the past three years.

Operationally, Ely has guided the company's refocus on energy and energy-related services, including the near completion of a five-year transmission upgrade and

expansion plan, building and strategically acquiring a diversified mix of resources – renewable and traditional — to meet the needs of Avista’s customers, and working with state regulators and staff to implement rate structures that are fair for customers and value-based for the company. In addition, Ely’s leadership has been instrumental in the success of Avista Corp. subsidiaries Avista Energy and Advantage IQ as each reaches new benchmarks in their financial growth and operations.

“Avista is a great company, and I am proud to be a part of such a dedicated team. We’ve achieved most of the objectives I set forth when I became chairman in 2001. Beginning in 2008, I look forward to achieving some of my personal goals in service to my church and my community,” said Ely.

Scott Morris, 49, joined Avista in 1981 in the company’s utility marketing division. Throughout his 25-year career with the company, Morris has been a leader in the development and implementation of customer and operational initiatives that have been integral to the utility’s reliability and service excellence. Morris served as general manager for Avista’s Oregon and California utility business from 1991 through 2000, when he was named president of Avista Utilities. Morris was named senior vice president of Avista Corp. in 2002, and president and chief operating officer of Avista Corp. in May 2006.

Avista Corp. is an energy company involved in the production, transmission and distribution of energy as well as other energy-related businesses. Avista Utilities is a company operating division that provides service to 346,000 electric and 305,000 natural gas customers in three western states. Avista’s non-regulated subsidiaries include Advantage IQ and Avista Energy. Avista Corp.’s stock is traded under the ticker symbol “AVA.” For more information about Avista, please visit www.avistacorp.com.

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