FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

	OMB APPROVAL
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3235-0287 OMB Number: 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).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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* NORWOOD KELLY O						2. Issuer Name and Ticker or Trading Symbol AVISTA CORP [AVA]										Relationship neck all appli Direct	cable) or	g Pers	10% Ow	/ner
(Last) (First) (Middle) 1411 E MISSION AVE						3. Date of Earliest Transaction (Month/Day/Year) 03/14/2007											Officer (give title below) Vice Pro		Other (s below) ent	pecity
(Street) SPOKA			99202 (Zip)		4.	4. If Amendment, Date of Original Filed (ny/Ye	ear)	6. I Lin	ndividual or Joint/Group Filing (Check Applicable e) X Form filed by One Reporting Person Form filed by More than One Reporting Person				
		Tab	le I - No	n-Deriv	/ativ	e Se	curi	ties Ad	cquire	l, Di	sp	osed o	f, o	r Ben	eficia	ly Owne	t			
1. Title of Security (Instr. 3) 2. Trans Date (Month.						ear)	2A. Deemed Execution Date, if any (Month/Day/Year)		Cod	sactio		4. Securities Acquired (A) Disposed Of (D) (Instr. 3, 4 5)				Benefic	es	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	: Direct c r Indirect E	7. Nature of Indirect Beneficial Ownership
							(WOTE	IIDayi Tea	Cod	v		Amount		(A) or (D)	Price	Reporte Transac (Instr. 3	d tion(s)	(1) (111		(Instr. 4)
Common Stock					03/14/2007				S			3,000		D	\$23.6	53 8,	707		D	
Common Stock ⁽¹⁾					03/14/2007				М			3,000		A	(1)	11	,707		D	
Common Stock 03					4/200	7			S			3,000		A	\$23.6	63 8,	707		D	
Common Stock - 401(k) Investment Plan Shares																8,	769			oy Trustee
Common Stock																	3			oy Spouse
		-	Table II -									sed of, onvertil				/ Owned				
1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deeme Execution if any (Month/Da	Date,	4. Transaction Code (Instr. 8)		າ of		6. Date I Expiration (Month/I	n Da	te		7. Title and Amount of Securities Underlying Derivative Seci (Instr. 3 and 4)			8. Price of Derivative Security (Instr. 5)	9. Numbe derivative Securities Beneficia Owned Following Reported Transacti (Instr. 4)	e s Illy	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
					Code	v	(A)	(D)	Date Exercisa	ble		xpiration ate	Title		Amount or Number of Shares					
Employee Stock	\$10.17	03/14/2007			M			3,000	11/07/20	03 ⁽²⁾	1	1/07/2012		nmon tock	3,000	\$23.63	3,000	3)	D	

Explanation of Responses:

- $1.\ Exercise of Employee Stock Options under the Company's Long-Term Incentive Plan. 9,000 Options were granted on 11/07/2002 at an option price of \$10.17.$
- 2. Options vest in four equal annual installments beginning on the first anniversary of the grant date. 9,000 options were granted on 11/07/2002.
- 3. Total reflects the number of derivative securities remaining under this particular option grant.

Remarks:

Total of 6,000 shares sold under Mr. Norwood's 10b5-1 Sales Plan dated December 14, 2006.

03/16/2007 /s/ Kelly O. Norwood

** 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.