
**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): August 25, 2010

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 8 – Other Events

Item 8.01 Other Events.

On August 25, 2010, Avista Corporation (Avista Corp.) entered into an Amendment to the Amended and Restated Sales Agency Agreement with BNY Mellon Capital Markets, LLC (BNYMCM). Under the terms of the Amendment to the Amended and Restated Sales Agency Agreement, Avista Corp. may offer and sell up to 3,087,500 shares of its common stock, no par value, from time to time through BNYMCM, as Avista Corp.'s agent for the offer and sale of the shares. Avista Corp. originally entered into an Amended and Restated Sales Agency Agreement to issue up to 1,250,000 shares of its common stock on December 16, 2009. In 2010, Avista Corp. has issued 475,954 shares of its common stock under this Amended and Restated Sales Agency Agreement.

The offering of shares will be made pursuant to Avista Corp.'s registration statement previously filed with the Securities and Exchange Commission (SEC) (File No. 333-163609), which became effective on December 9, 2009 (the "Registration Statement"). Avista Corp. filed a prospectus supplement with the SEC in connection with this offer and sale of shares.

This Current Report on Form 8-K is being filed for the purpose of filing an exhibit to the Registration Statement. Such exhibit is hereby incorporated by reference into the Registration Statement.

This Current Report on Form 8-K does not constitute an offer to sell or a solicitation of an offer to buy the securities described herein, and there shall not be any sale of these securities in any state or jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. The sale of securities is being made only by means of a prospectus and related prospectus supplement.

Section 9 – Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

- 1.1 Amendment to Amended and Restated Sales Agency Agreement, dated as of August 25, 2010, between Avista Corporation and BNY Mellon Capital Markets, LLC

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: August 25, 2010

/s/ MARIAN M. DURKIN

Marian M. Durkin
Senior Vice President, General Counsel
and Chief Compliance Officer

AMENDMENT TO AMENDED AND RESTATED SALES AGENCY AGREEMENT

Amendment to the Amended and Restated Sales Agency Agreement, dated as of December 16, 2009 (the “Restated Agreement”), between AVISTA CORPORATION, a Washington Corporation (the “Company”), and BNY MELLON CAPITAL MARKETS, LLC, a registered broker-dealer organized under the laws of New York (“BNYMCM”), dated as of August 25, 2010.

WITNESSETH:

WHEREAS, the Company desires to amend the Restated Agreement to increase the maximum number of Shares (as defined in the Restated Agreement) from 1,250,000 to 3,087,500.

NOW THEREFORE, in consideration of the premises herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, intending to be legally bound hereby, the parties agree as follows:

AMENDMENT TO RESTATED AGREEMENT

All references to 1,250,000 in the Restated Agreement (including the Exhibits to the Restated Agreement) are hereby changed to 3,087,500 as follows

1. The first recital of the Restated Agreement is hereby amended and restated in its entirety as:

WHEREAS, the Company has authorized and proposes to issue and sell in the manner contemplated by this Agreement up to 3,087,500 Shares upon the terms and subject to the conditions contained herein; and

2. The definition of “Maximum Program Amount” is hereby amended and restated in its entirety as:

“Maximum Program Amount” means 3,087,500 Shares (or, if less, the aggregate amount of Shares registered under the Registration Statement).

3. The references to “1,250,000 shares” in the forms of written opinions of Marian M. Durkin, Esq., Senior Vice President, General Counsel and Chief Compliance Officer of the Company and Dewey & LeBoeuf LLP, set forth on Exhibit B(1) and Exhibit B(2), respectively, are hereby changed to “3,087,500 shares.”

MISCELLANEOUS

Except for the changes set forth above, the Restated Agreement is in all respects ratified and confirmed; the Restated Agreement and this Amendment shall effectively constitute one and the same agreement (the Restated Agreement, as so amended, being hereinafter referred to as the "Agreement"); and all references in the Restated Agreement to "this Agreement" shall be deemed to refer to the Restated Agreement as amended by this Amendment No. 1, unless the context clearly requires otherwise.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by the undersigned, thereunto duly authorized, as of the date first set forth above.

AVISTA CORPORATION

By: /s/ Diane Thoren

Name: Diane Thoren

Title: Treasurer

BNY MELLON CAPITAL MARKETS, LLC

By: /s/ Daniel C. de Menocal, Jr.

Name: Daniel C. de Menocal, Jr.

Title: Managing Director