FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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

OMB APPROVAL									
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1. Name and Address of Reporting Person [*] MEYER DAVID J			2. Issuer Name and Ticker or Trading Symbol <u>AVISTA CORP</u> [AVA]		ionship of Reporting Persor all applicable) Director	10% Owner
(Last) 1411 E MISSIO	(First) N AVE	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) 01/05/2007	Х	Officer (give title below) Vice Presider	Other (specify below) nt
(Street) SPOKANE	WA	99202	4. If Amendment, Date of Original Filed (Month/Day/Year)	6. Indivi Line) X	dual or Joint/Group Filing (Form filed by One Report Form filed by More than C	ing Person
(City)	(State)	(Zip)			Person	

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transa Code (8)		4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5)		5. Amount of Securities Beneficially Owned Following Reported	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)	
			Code	v	Amount	(A) or (D)	Price	Transaction(s) (Instr. 3 and 4)		(1150.4)
Common Stock - Performance Shares	01/05/2007		М		18,910	A	(1)	42,898	D	
Common Stock - Performance Shares	01/05/2007		F		3,439 ⁽²⁾	D	\$24.72	39,459	D	
Common Stock - Performance Shares	01/05/2007		J ⁽³⁾		3,687 ⁽³⁾	D	(3)	35,772	D	

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	v	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		Transaction(s) (Instr. 4)		
Conversion of 2004 Performance Shares	(1)	01/05/2007		М			15,500	(1)	(1)	Common Stock	15,500	(1)	0	D	
Deferred Performance Shares	(1)	01/05/2007		J ⁽³⁾		3,687		(3)	(3)	Common Stock	3 , 687 ⁽³⁾	(3)	7,411	I	By Trustee

Explanation of Responses:

1. Each performance share represented a contingent right to receive a share of Avista Common Stock upon Avista achieving a specified performance measure.

2. Shares sold to pay income tax on Performance Shares acquired on 1/5/2007.

3. Shares placed in Executive Deferral Plan of Avista Corp. and will be settled in Avista Corp. Common Stock upon the reporting person's retirement.

01/09/2007

** Signature of Reporting Person

Date

/s/ David J. Meyer

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

 \ast 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.