

INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

OMB APPROVAL	
OMB Number:	3235-0104
Estimated average burden hours per response:	0.5

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>Vermillion Dennis P</u> (Last) (First) (Middle) <u>1411 E MISSION AVENUE</u> (Street) <u>SPOKANE WA 99202</u> (City) (State) (Zip)	2. Date of Event Requiring Statement (Month/Day/Year) <u>07/02/2007</u>	3. Issuer Name and Ticker or Trading Symbol <u>AVISTA CORP [AVA]</u>	
		4. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <p style="text-align: center;"><u>Vice President</u></p>	5. If Amendment, Date of Original Filed (Month/Day/Year) 6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Beneficially Owned

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
<u>Common Stock - Restricted Shares⁽¹⁾</u>	<u>800</u>	<u>D</u>	
<u>Common Stock (401(k) Investment Plan Shares</u>	<u>6,669</u>	<u>I</u>	<u>by Trustee</u>

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

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conversion or Exercise Price of Derivative Security	5. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date				
<u>2007 Performance Share Grant</u>	<u>(2)</u>	<u>(2)</u>	<u>Common Stock</u>	<u>3,000</u>	<u>(3)</u>	<u>D</u>
<u>Employee Stock Option</u>	<u>(4)</u>	<u>11/12/2008</u>	<u>Common Stock</u>	<u>18.63</u>	<u>3,075</u>	<u>D</u>
<u>Employee Stock Option</u>	<u>(5)</u>	<u>11/11/2009</u>	<u>Common Stock</u>	<u>17.31</u>	<u>4,400</u>	<u>D</u>

Explanation of Responses:

- Restricted shares vest one-third each year over a three-year period and are payable in Avista Corp. Common Stock at the end of each year in the three-year period.
- Each performance cycle is three years in length. Shares are issued at the end of each three-year cycle if performance measure is met.
- No conversion price - shares awarded if performance measure is met.
- Option was granted on 11/12/1998 and vested in four equal annual installments beginning on the first anniversary of the grant date.
- Option was granted on 11/11/1999 and vested in four equal annual installments beginning on the first anniversary of the grant date.

/s/ Dennis P. Vermillion 07/10/2007
 ** 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 5 (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.