

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

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 * <u>MEYER DAVID J</u>  (Last) (First) (Middle) 1411 E MISSION AVE  (Street) SPOKANE WA 99202  (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>AVISTA CORP [ AVA ]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner Officer (give title below) Other (specify below) X <b>Vice President</b>
	3. Date of Earliest Transaction (Month/Day/Year) 01/09/2009	
4. If Amendment, Date of Original Filed (Month/Day/Year)		

**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. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	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			
Common Stock - Performance Shares	01/09/2009		M		4,602	A	(1)	6,768	D	
Common Stock - Performance Shares	01/09/2009		F		1,488 <sup>(2)</sup>	D	\$19.15	5,280	D	
Common Stock - 2006 Restricted Share Award	01/09/2009		S		109 <sup>(3)</sup>	D	\$19.1	5,171	D	
Common Stock held in 401(k) Investment Plan								10,100	I	by Trustee
Common Stock held in Executive Deferral Plan								8,755	I	by Trustee
Common Stock held in IRA								5,743	I	by Trustee

**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 Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V		Date Exercisable	Expiration Date					
Conversion of 2006 Performance Shares	(1)	01/09/2009		M		3,900	(1)	(1)	Common Stock	3,900	(1)	0	D

**Explanation of Responses:**

- Each performance share represented a contingent right to receive a share of Avista Common Stock upon Avista achieving a specified performance measure.
- Shares sold to pay income tax on Performance Shares acquired on 1/9/2009.
- Shares sold to pay income tax on final 1/3 of 2006 restricted shares that vested on 12/31/2008.

/s/ David J. Meyer 01/13/2009

\*\* 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.