

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*			2. Issuer Name and Ticker or Trading Symbol			5. Relationship of Reporting Person(s) to Issuer (Check all applicable)		
<u>Thoren Diane C</u>			<u>AVISTA CORP [AVA]</u>			Director 10% Owner		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year)			Officer (give title below) X Other (specify below)		
1411 E. MISSION AVENUE			05/20/2011			Treasurer		
(Street)			4. If Amendment, Date of Original Filed (Month/Day/Year)			6. Individual or Joint/Group Filing (Check Applicable Line)		
SPOKANE WA 99202						X Form filed by One Reporting Person		
(City)	(State)	(Zip)				Form filed by More than One Reporting 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. 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	05/20/2011		M ⁽¹⁾		1,000	A	\$10.17	4,092	D	
Common Stock	05/20/2011		S ⁽¹⁾		1,000	A	\$25.297	3,092	D	
Common Stock held in 401(k) Plan								4,350	I	held by Trustee
Common Stock held in Executive Deferral Account								975	I	held by Trustee
Common Stock held by Grandson, Zachary Brown								39	I	held by Grandson
Common Stock held by Niece, Katherine Cuthill								39	I	held by Niece
Common Stock held by Niece, McIntyre Cuthill								13	I	held by Niece
Common Stock held by Granddaughter, McKenzie Brown								24	I	held by Granddaughter
Common Stock held by Grandson, Colton Avery								14	I	held by Grandson
Common Stock held by Granddaughter, Avery Materne								7	I	held by Granddaughter

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	(A)	(D)	Date Exercisable	Expiration Date						Title
Exercise of Stock Options	\$10.17	05/20/2011		M			1,000	(2)	11/07/2012	Common Stock	1,000	\$25.297	1,025 ⁽³⁾	D	

Explanation of Responses:

- Exercise and Sale of Option Grant scheduled to expire November 2012.
- Option vest in four equal annual installments beginning the first anniversary of the grant date. Ms. Thoren acquired an option grant in November 2002.
- Total reflects the number of derivative securities remaining for this particular grant.

/s/ Diane C Thoren

05/23/2011

** 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.