FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

| OMB APPROVAL | | | | | | | | | | | |
|--------------------------|----------|--|--|--|--|--|--|--|--|--|--|
| OMB Number: | 3235-028 | | | | | | | | | | |
| Estimated average burden | | | | | | | | | | | |

0.5

hours per response:

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

| | | | or Section 30(h) of the Investment Company Act of 1940 | | | · | |
|------------------------------------|---------------|------------------|--|-----------------------|---|-----------------------|--|
| Name and Addr | | Person* | 2. Issuer Name and Ticker or Trading Symbol AVISTA CORP [AVA] | | ationship of Reporting Pe k all applicable) Director Officer (give title | 10% Owner | |
| Last) (First) 411 E MISSION AVE | | (Middle) | 3. Date of Earliest Transaction (Month/Day/Year) 09/06/2011 | | below) | Other (specify below) | |
| Street) SPOKANE (City) | WA (State) | 99202 (Zip) | 4. If Amendment, Date of Original Filed (Month/Day/Year) | 6. Indi Line) X | vidual or Joint/Group Fili Form filed by One Re Form filed by More th Person | porting Person | |
| | | Table I - Non-De | erivative Securities Acquired, Disposed of, or Bene | ficially | Owned | | |

| (Month/Day/Year) if any | | Execution Date, | Code (Inst | | 4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5) | | | Securities Beneficially | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership | |
|--|------------|-----------------|------------------|---|--|---------------|------------------------|------------------------------------|---|---|--|
| | | | Code | v | Amount | (A) or (D) | Price | Transaction(s) (Instr. 3 and 4) | | (Instr. 4) | |
| Common Stock | 09/06/2011 | | A ⁽¹⁾ | | 249 ⁽²⁾ | A | \$24.03 ⁽¹⁾ | 14,867 | D | | |
| Table II. Devivetive Convention Associated Dispersed of an Development | | | | | | | | | | | |

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

| | titve Conversion or Exercise 3) Price of Derivative Security Secur | | | | | | | | | | | | | | |
|---|--|------|------------------------|------------------|---|--------------------------------------|---|---------------------|--------------------|---|--|------------------------|--|---|--|
| 1. Title of Derivative Security (Instr. 3) | Conversion or Exercise Price of Derivative | Date | Execution Date, if any | Transa Code (| | of Deriv Secu Acqu (A) o | rative rities pired r osed) | Expiration Date | | Amount of Securities Underlying Derivative Security (Instr. 3 | | Derivative Security | derivative Securities Beneficially Owned Following | Ownership Form: Direct (D) or Indirect | of Indirect Beneficial Ownership |
| | | | | Code | v | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | | | | |

Explanation of Responses:

1. Shares issued under the Long Term Incentive Plan (LTIP) as an award of stock for director compensation utilizing "new issue" stock price. The price per share (per LTIP) is the closing price on Friday, September 2, 2011.

2. Shares issued as part of Mr. Anderson's director retainer.

<u>/s/ Erik J. Anderson</u> <u>09/07/2011</u>

** 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.