
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

**POST-EFFECTIVE
AMENDMENT NO. 1
TO
FORM S-8**
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

Avista Corporation

(Exact name of registrant as specified in its charter)

Washington
*(State or other jurisdiction of
incorporation or organization)*

91-0462470
*(I.R.S. Employer
Identification Number)*

1411 East Mission Avenue
Spokane, Washington 99202-2600
(509) 489-0500

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Avista Corporation
Long-Term Incentive Plan
(Full title of the plan)

M. K. MALQUIST
Senior Vice President, Chief Executive Officer and Treasurer
AVISTA CORPORATION
1411 East Mission Avenue
Spokane, Washington 99202-2600
(509) 489-0500

(Name, address and telephone number, including area code, of agent for service)

Copy to:

Benjamin I. Delancy
Thelen Reid & Priest LLP
701 Eighth Street, NW
Washington, D.C. 20001
(202) 508-4000

EXPLANATORY NOTE

This Post-Effective Amendment No. 1 to the Registration Statement on Form S-8 of Avista Corporation (File No. 333-126577), is being filed to include therein Exhibit 5.1, the legal opinion of Heller Ehrman LLP.

Item 8. Exhibits.

<u>Exhibit Number</u>	<u>Description of Exhibits</u>
3.1*	- Restated Articles of Incorporation of Avista Corporation as amended November 1, 1999, filed as Exhibit 3(a) to the Annual Report on Form 10-K for the period ended December 31, 2001, which exhibit is incorporated herein by reference.
3.2*	- Bylaws of Avista Corporation, as amended August 13, 2004, filed as Exhibit 3(b) to the Current Report on Form 8-K dated as of August 13, 2004, which exhibit is incorporated herein by reference.
4.1*	- Avista Corporation Long-Term Incentive Plan, as amended, filed as Appendix A to the Definitive Proxy Statement on Schedule 14A of Avista Corporation filed on March 31, 2005, which appendix is incorporated herein by reference.
5.1**	- Opinion of Heller Ehrman LLP
15**	- Letter from Deloitte & Touche LLP regarding Unaudited Interim Financial Information
23.1**	- Consent of Deloitte & Touche LLP
23.2**	- Consent of Heller Ehrman LLP (included in Exhibit 5.1)
24.1*	- Power of Attorney

* Previously filed.

** Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Post-Effective Amendment No. 1 to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Spokane and State of Washington on this 7th day of February, 2006.

AVISTA CORPORATION

By: /s/ Malyn K. Malquist

Malyn K. Malquist
Senior Vice President, Chief Financial
Officer & Treasurer

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the date indicated.

<u>Signature</u>	<u>Title</u>
* _____ Gary G. Ely Chairman of the Board President and Chief Executive Officer	Principal Executive Officer
* _____ Malyn K. Malquist Senior Vice President, Chief Financial Officer & Treasurer	Principal Financial Officer and Accounting Officer
* _____ Erik J. Anderson	Director
* _____ Kristianne Blake	Director
* _____ David A. Clack	Director
* _____ Roy Lewis Eiguren	Director

*	Director
<hr/>	
Jack W. Gustavel	
*	Director
<hr/>	
John F. Kelly	
*	Director
<hr/>	
Jessie J. Knight, Jr.	
*	Director
<hr/>	
Michael L. Noël	
*	Director
<hr/>	
Lura J. Powell, Ph.D.	
*	Director
<hr/>	
R. John Taylor	

*By: /s/ Malyn K. Malquist
Malyn K. Malquist
Attorney-in-Fact

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description of Exhibits</u>
5.1	Opinion of Heller Ehrman LLP
15	Letter from Deloitte & Touche LLP regarding Unaudited Interim Financial Information
23.1	Consent of Deloitte & Touche LLP
23.2	Consent of Heller Ehrman LLP (included in Exhibit 5.1)

Heller Ehrman LLP

February 7, 2006

Avista Corporation
1411 East Mission Avenue
Spokane, WA 99202**Re: Avista Corporation - Post-Effective Amendment No. 1 to Registration Statement on Form S-8**

Ladies and Gentlemen:

We have acted as counsel to Avista Corporation, a Washington corporation (the “**Company**”), in connection with the filing of a Post-Effective Amendment No. 1 to the Registration Statement on Form S-8 (File No. 333-126577) (as amended by the Post-Effective Amendment No. 1, the “**Registration Statement**”) with the Securities and Exchange Commission under the Securities Act of 1933, as amended (the “**Securities Act**”), relating to the registration of the issuance of up to 1,000,000 additional shares of common stock, no par value (the “**Securities**”), of the Company pursuant to the Company’s Long-Term Incentive Plan, as amended (the “**Plan**”). The Securities will be offered and issued together with the related preferred share purchase rights (the “**New Rights**”) in accordance with that certain Rights Agreement, dated as of November 15, 1999 (the “**Rights Agreement**”), between the Company and The Bank of New York, as rights agent.

I.

We have assumed the authenticity of all records, documents and instruments submitted to us as originals, the genuineness of all signatures, the legal capacity of natural persons and the conformity to the originals of all records, documents and instruments submitted to us as copies. We have based our opinion upon our review of the following records, documents, instruments and certificates and such additional certificates relating to factual matters as we have deemed necessary or appropriate for our opinion:

- (a) the Registration Statement;
 - (b) the Plan;
 - (c) the Rights Agreement;
 - (d) the Restated Articles of Incorporation, as amended, of the Company certified by the Washington Secretary of State as of January 24, 2006, and certified to us by an officer of the Company as being complete and in full force and effect as of the date of this opinion;
-

- (e) the Bylaws of the Company certified by an officer of the Company as being complete and in full force and effect as of the date of this opinion;
- (f) a Certificate of Existence/Authorization relating to the Company and issued by the Washington Secretary of State, dated January 24, 2006;
- (g) records certified to us by an officer of the Company as constituting all records of proceedings and actions of the Company's board of directors relating to the transactions contemplated by the Registration Statement;
- (h) Order No. 01, effective December 28, 2005, in Docket No. UE-051895 of the Washington Utilities and Transportation Commission;
- (i) Order No. 29947, having a service date of January 10, 2006, in Case No. AVU-U-05-2 of the Idaho Public Utilities Commission;
- (j) Order No. 06-014, entered January 17, 2006, in Docket No. UF 4223 of the Public Utility Commission of Oregon, together with the staff report appended thereto which constitutes a part of the order;
- (k) Default Order No. 4535, entered July 2, 1979, in Docket No. 6690 of the Public Service Commission of the State of Montana¹; and
- (l) a Certificate of an officer of the Company as to certain factual matters.

II.

We have also assumed the following, without making any inquiry into the reasonableness or validity thereof:

- A. The Securities and the New Rights will be duly executed, authenticated and delivered prior to issuance as set forth in the Registration Statement and in accordance with the proceedings and actions of the Company's board of directors relating to the transactions contemplated by the Registration Statement.

¹ We have received and relied upon an officer's certificate certifying that at no time since the issuance of the MPSC's order have the Company's electric sales for ultimate use by Montana customers exceeded \$5,000,000 or 5% of the Company's revenue in any year.

- B. We have assumed that the members of the Company's board of directors and the Company's stockholders have each satisfied all applicable fiduciary duties.

III.

This opinion is limited to (i) the federal laws of the United States of America, (ii) the laws of the State of Washington, and (iii) the statutes (and regulations promulgated thereunder) of the States of Idaho, Montana and Oregon pertaining to the regulation of public utilities in those States. We disclaim any opinion as to the laws of any other jurisdiction. We further disclaim any opinion as to any statute, rule, regulation, ordinance, order or other promulgation of any regional or local governmental body or as to any related judicial or administrative opinion.

IV.

Based upon the foregoing and our examination of such questions of law as we have deemed necessary or appropriate for our opinion, and subject to the assumptions, limitations and qualifications expressed herein, it is our opinion that the Securities, when issued and delivered against payment therefor in accordance with the Plan and any related agreements, will be legally issued, fully paid and nonassessable, and the New Rights, when issued and delivered against payment for the Securities in accordance with the Plan and any related agreements, will be legally issued.

V.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the references to this firm, as counsel, in the Registration Statement. In giving this consent, we do not thereby admit that we are within the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations promulgated thereunder.

VI.

The foregoing opinion is being delivered solely to you in connection with the filing of the Registration Statement and is solely for your benefit and the benefit of the holders of the Securities. This opinion may not be relied on by you or the holders of the Securities for any other purpose or by any other person for any purpose without our written consent. We disclaim any obligation to advise you of any change of law that occurs, or any facts of which we become aware, after the date of this opinion.

Very truly yours,

/s/ Heller Ehrman LLP

February 7, 2006

Avista Corporation
Spokane, Washington

We have made a review, in accordance with the standards of the Public Company Accounting Oversight Board (United States), of the unaudited interim financial information of Avista Corporation and subsidiaries for the periods ended September 30, 2005 and 2004, as indicated in our report dated November 2, 2005. As indicated in such report, because we did not perform an audit, we expressed no opinion on that information.

We are aware that our report referred to above, which is included in your Quarterly Report on Form 10-Q for the quarter ended September 30, 2005, is incorporated by reference in Avista Corporation's Post-Effective Amendment No. 1 to Registration Statement No. 333-126577 on Form S-8.

We also are aware that the aforementioned report, pursuant to Rule 436(c) under the Securities Act of 1933, is not considered a part of the Registration Statement prepared or certified by an accountant or a report prepared or certified by an accountant within the meaning of Sections 7 and 11 of that Act.

/s/ Deloitte & Touche LLP

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the use in this Post-Effective Amendment No. 1 to Registration Statement No. 333-126577 on Form S-8 of our reports dated March 9, 2005, relating to the consolidated financial statements of Avista Corporation and subsidiaries (which report expresses an unqualified opinion and includes an explanatory paragraph for certain changes in accounting and presentation resulting from the impact of recently adopted accounting standards) and to management's report on the effectiveness of internal control over financial reporting appearing in the Annual Report on Form 10-K of Avista Corporation for the year ended December 31, 2004.

/s/ Deloitte & Touche LLP

February 7, 2006