

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

OMB APPROVAL	
OMB Number:	3235-0287
Estimated average burden hours per response:	0.5

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

1. Name and Address of Reporting Person* <b>MALQUIST MALYN K</b>  (Last) (First) (Middle)  (Street)  (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <b>AVISTA CORP [ AVA ]</b>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <b>Sr. Vice President &amp; CFO</b>
	3. Date of Earliest Transaction (Month/Day/Year) <b>02/09/2006</b>	
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-Restricted Shares	02/09/2006		A		3,000	A	(1)	3,000	D	
Common Stock-Performance Share Award	02/09/2006		M		18,600	A	(2)	18,600	D	

**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
Conversion of derivative security	\$17.8	02/09/2006		M			15,500	(3)	(3)	Common Stock	15,500	(3)	31,000	D	
Performance Shares	(4)	02/09/2006		A		11,500		(5)	(5)	Common Stock	11,500	\$19.2	42,500	D	

**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 if targets are met.
- Shares are received in satisfaction of 2003 performance grant.
- 2003 Performance Grant-disposition of Derivative Securities.
- No conversation price - Shares awarded if performance measure is met.
- Each performance cycle is three years in length. Shares will be issued at the end of each three-year cycle if performance measure is met.

/s/ Malyn K. Malquist

02/13/2006

\*\* 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.

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