
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington D.C. 20549**

FORM 8-K

CURRENT REPORT

**PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): September 8, 2008

AVISTA CORPORATION

(Exact name of registrant as specified in its charter)

Washington
(State or other jurisdiction
of incorporation)

1-3701
(Commission File Number)

91-0462470
(I.R.S. Employer
Identification No.)

1411 East Mission Avenue, Spokane, Washington
(Address of principal executive offices)

99202-2600
(Zip Code)

Registrant's telephone number, including area code: 509-489-0500
Web site: <http://www.avistacorp.com>

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Section 7 – Regulation FD Disclosure**Item 7.01 Regulation FD Disclosure.**

The information in this report shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be incorporated by reference in any filing under the Securities Act of 1933, except as shall be expressly set forth by specific reference in such filing.

On September 8, 2008, management of Avista Corporation (Avista Corp.) will be participating in meetings with investors and analysts and will provide a business update presentation at the Sidoti & Company, LLC Seventh Annual West Coast Institutional Investor Forum in San Francisco, California. A copy of the business update presentation is furnished as Exhibit 99.1.

As part of this update, Avista Corp. will be confirming earnings guidance for 2008. This 2008 earnings guidance was included in Avista Corp.’s second quarter of 2008 earnings release furnished on Form 8-K on July 30, 2008.

Any reference to Avista Corp.’s Internet address shall not, under any circumstances, be deemed to incorporate the information available at such Internet address into this Current Report. The information available at Avista Corp.’s Internet address is not part of this Current Report or any other report furnished or filed by Avista Corp. with the Securities and Exchange Commission.

Section 9 – Financial Statements and Exhibits**Item 9.01 Financial Statements and Exhibits.****(d) Exhibits**

99.1 Business update presentation dated September 2008, which is being furnished pursuant to Item 7.01.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

AVISTA CORPORATION
(Registrant)

Date: September 8, 2008

/s/ Marian M. Durkin
Marian M. Durkin
Senior Vice President, General Counsel
and Chief Compliance Officer



Business Update

***Sidoti & Company, LLC
West Coast Institutional Investor Forum
September 2008***

***Malyn Malquist
Executive Vice President and CFO***

NYSE: AVA

www.avistacorp.com



sound leadership | *reliable energy*

- Core business is the regulated utility
- Incorporated in the state of Washington in 1889
- Headquartered in Spokane, Wash.
- Over 2,000 employees
- Investment-grade financial profile
- Market capitalization \$1.1 billion
- Rapidly growing non-regulated subsidiary Advantage IQ



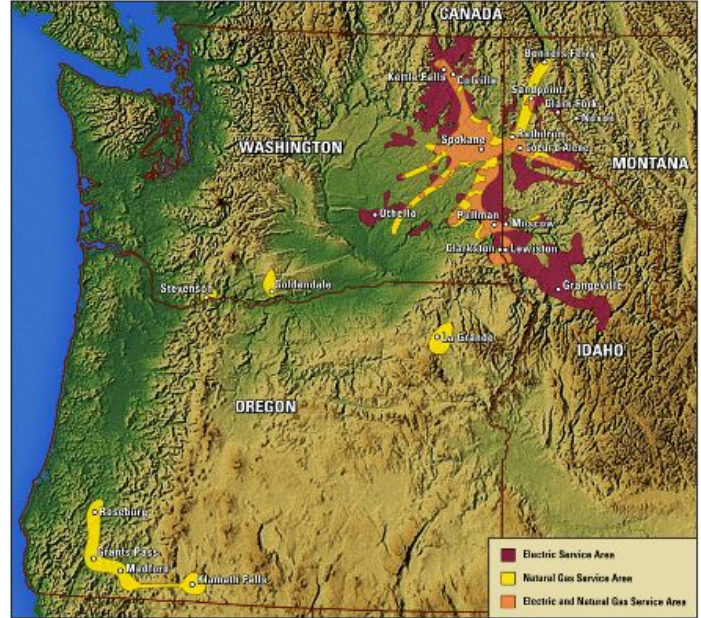
Mission Statement:

Avista's purpose is to improve life's quality by providing energy and energy-related services. We do this by safely and reliably delivering these services at a competitive price and by helping our customers get the most value from their energy dollar, while providing our investors a fair return.



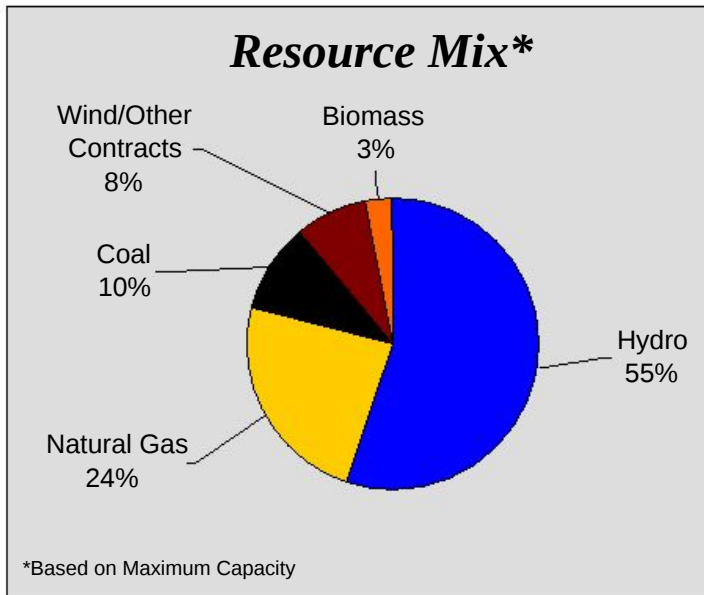
- Generates, transmits and distributes electricity and distributes natural gas
- Electric customers: 352,000
Natural gas customers: 311,000
- Distribution system totaling 17,800 miles
- Over 2,100 miles of transmission
- Natural gas distribution mains of 6,900 miles
- 15.6 billion cubic feet gas storage capacity at Jackson Prairie
- Total maximum generating capacity: 1,771 MW

Utility Service Territory



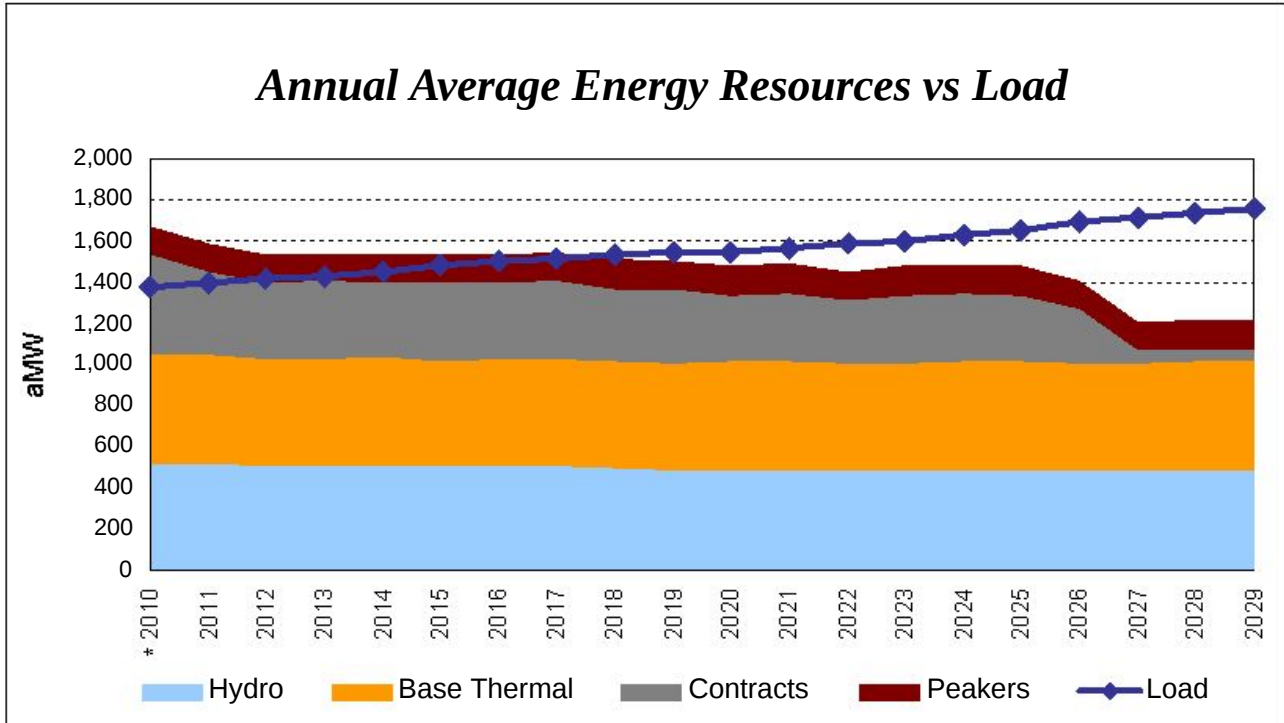


One of the smallest carbon footprints in the United States





Well positioned with “long” resources through 2017



* Includes the addition of Lancaster – 270 MW CCCT PPA



- Requires a percentage of qualified renewables (wind, solar, geothermal, biomass, landfill and sewage gas, wave, ocean, tidal and hydro upgrades)
- Requirements are 3% in 2012, 9% in 2016 and 15% in 2020
- Only affects Washington loads
- *Only Washington* sets geographic limits, has an energy efficiency standard and recognizes less existing hydro and other renewable resources

	2010	2012	2015	2016	2019	2020
I-937 Requirement	0%	3%	3%	9%	9%	15%
Required Renewables (aMW)	0	21	23	69	74	124



New Generation by 2017

- 350 MW of natural gas-fired plants
- 300 MW of wind
- 87 MW of conservation
- 38 MW of hydro plant upgrades
- 35 MW of other renewables



	<i>Timing of Preferred Resource Strategy in MW</i>										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Total
CCCT			270				80				350
Wind							100		200		300
Conservation	6	7	7	7	9	10	10	10	10	11	87
Hydro Upgrades		9.5	9.5	9.5	9.5						38
Other Renewables				20	10		5				35



- Planning to develop 50 MW wind facility in Reardan, Wash.
- Estimated cost ≈ \$125 Million
- Expected to be completed in 2011
- Received regulatory approval in Idaho to include the cost of land, turbine down payments and other preliminary costs in CWIP. We are waiting for regulatory approval in Washington
- Wind Projects could be delayed by I-937 updates

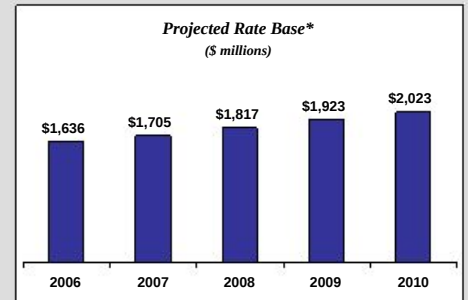
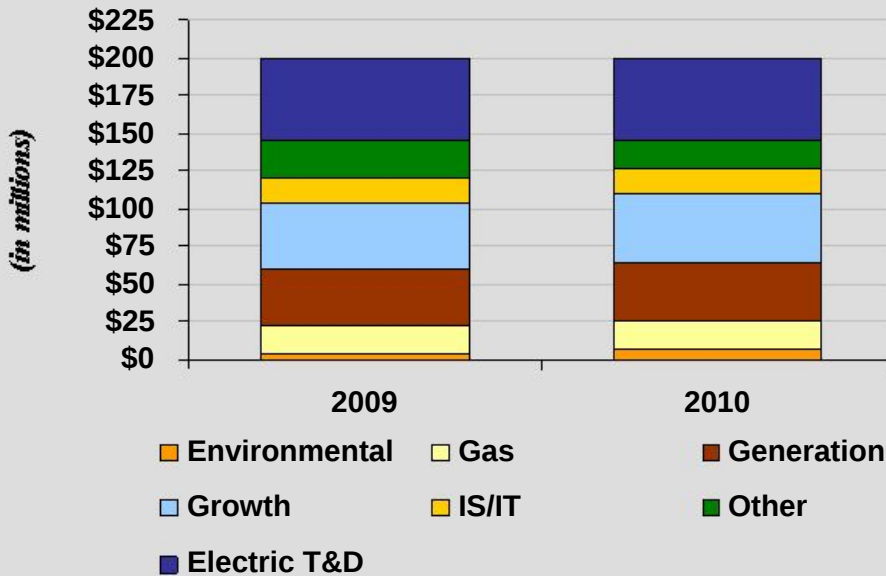


Utility Capital Expenditures



We're focused on our core utility business and plan on investing over \$200 million into the utility in 2008 and in subsequent years

2009-2010 Forecasted Capital Expenditures*



* Excludes any capital expenditures for wind



Rate Base by Jurisdiction				
December 31, 2007				
Washington		Idaho		Oregon
Electric	Gas	Electric	Gas	Gas
\$890 million	\$151 million	\$502 million	\$73 million	\$89 million

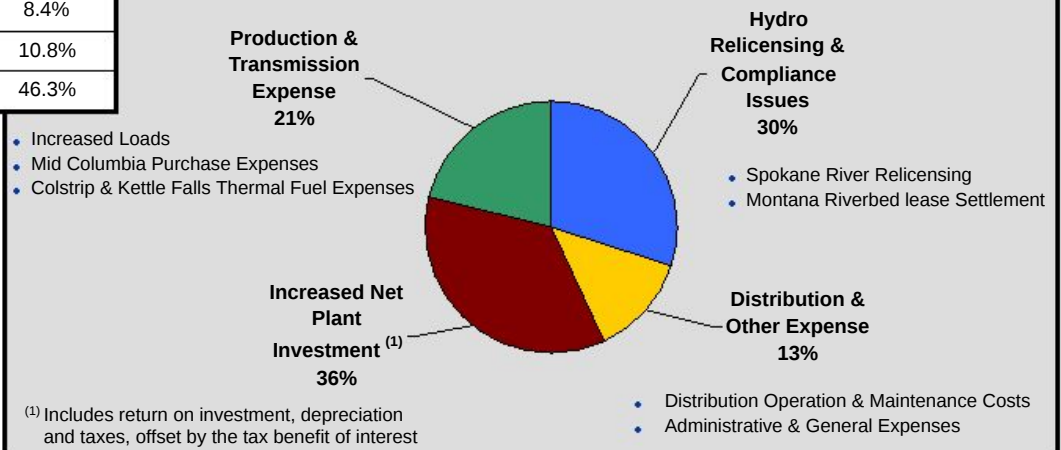
Jurisdiction and Service	Authorized		
	Rate of Return	Return on Equity	Common Equity Level
Washington Electric and Natural Gas (implemented in January 2008)	8.20%	10.20%	46.00%
Idaho Electric and Natural Gas (All party settlement agreement August 8, 2008)	8.45%	10.20%	47.94%
Oregon Natural Gas	8.20%	10.00%	50.00%



Washington Electric and Gas General Rate Case

<i>Filed March 4, 2008</i>	<i>Electric</i>	<i>Natural Gas</i>
Amount	\$36.6 M	\$6.6 M
% Increase	10.3%	3.3%
Rate of Return	8.4%	8.4%
Return on Equity	10.8%	10.8%
Common Equity Ratio	46.3%	46.3%

Primary Electric Revenue Requirement Factors





Idaho Electric and Gas General Rate Case

- All-party settlement agreement reached on August 8, 2008
 - Settlement provided deferred accounting for future recovery (including carrying charges) for costs related to relicensing the hydroelectric facilities on the Spokane River
 - Subject to final approval by the Idaho Public Utilities Commission
- New rates effective October 1, 2008

	ROR	ROE	Equity Ratio	Revenue Requirement	
				Electric	Gas
Current Capital Structure	9.25%	10.40%	42.59%	N/A	N/A
Original Rate Request April 3, 2008	8.74%	10.80%	47.94%	\$32.3M	\$4.7M
All-party Settlement Agreement	8.45%	10.20%	47.94%	\$23.2M	\$3.9M

Advantage IQ



- Founded in 1995 by five employees from Avista
- Located in Spokane, Wash. and has 600+ employees
- Provides invoice processing, auditing, payment services and comprehensive reporting to multi-site companies throughout North America
- Management services include electricity, natural gas, water/sewer, waste and telecom expenses
- June 30, 2008 acquired Cadence Network



EPA recognized Advantage IQ with 2007 Sustained Excellence Award in recognition of its continued leadership in protecting our environment through energy efficiency.

*Saved clients more than
200% of their service
fees each year*

Processes and pays

- Receives, enters and scans invoices, allocates costs and issues vendor payments

Auditing and Reporting

- Validates invoices, identifies and resolves errors, optimizes services

Strategic Services

- Post-payment analysis, leverages data and develops executive strategies

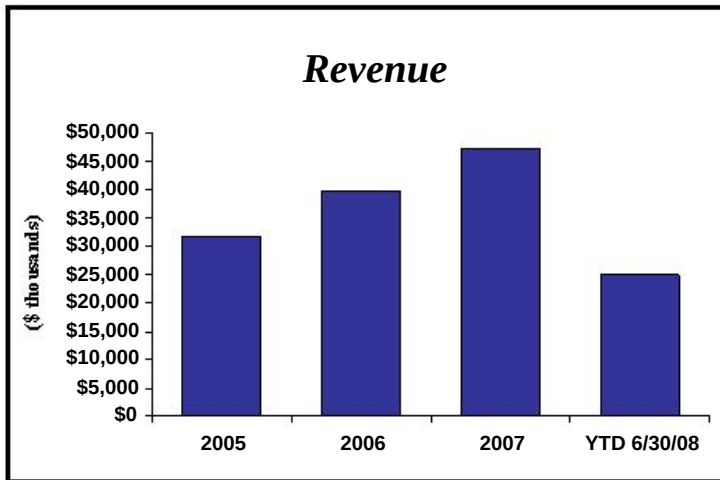
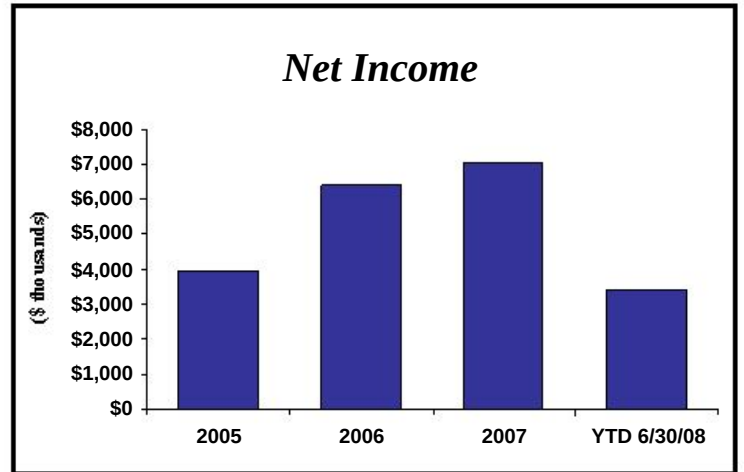
We save clients money by:

- Catching billing errors such as duplicate invoices and overcharges
- Drastically reducing costly late payment charges
- Optimizing cash flow
- Spotting improper meter reads for electricity, natural gas and water

- Manages over 500+ clients (70+ Fortune 500 clients)
- Processes and pays over 1 million bills per month, supporting 425,000+ sites nationwide
- Manages about \$13 billion in expenses
- 96% retention rate



*Average Revenue Growth rate of
26% over the last three years*

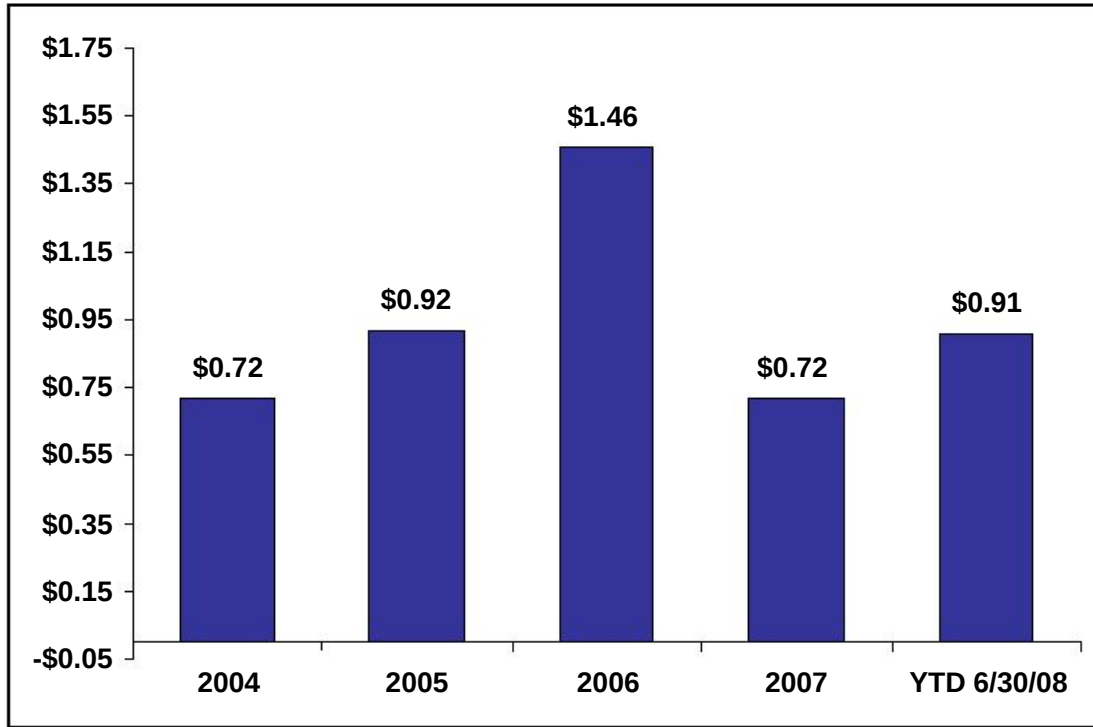


Financial



ROE moving towards authorized

Consolidated Earnings

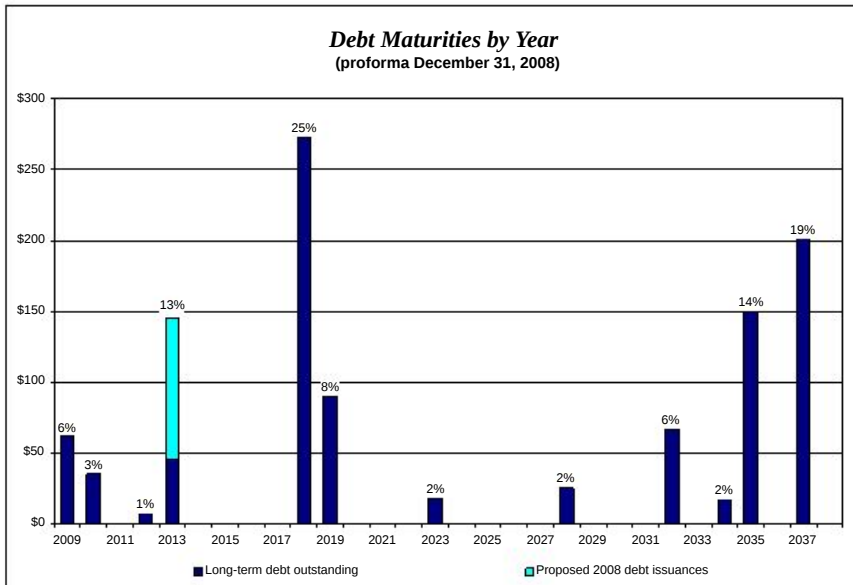




Target BBB+ Rating

Rating Agency	Corporate	Secured	Outlook
Standard & Poor's	BBB-	BBB+	Stable
Moody's	Baa3	Baa2	Stable
Fitch, Inc.	BB+	BBB	Positive

- Capital expenditures funded with appropriate capital structure
- 52% Debt to Equity as of June 30, 2008

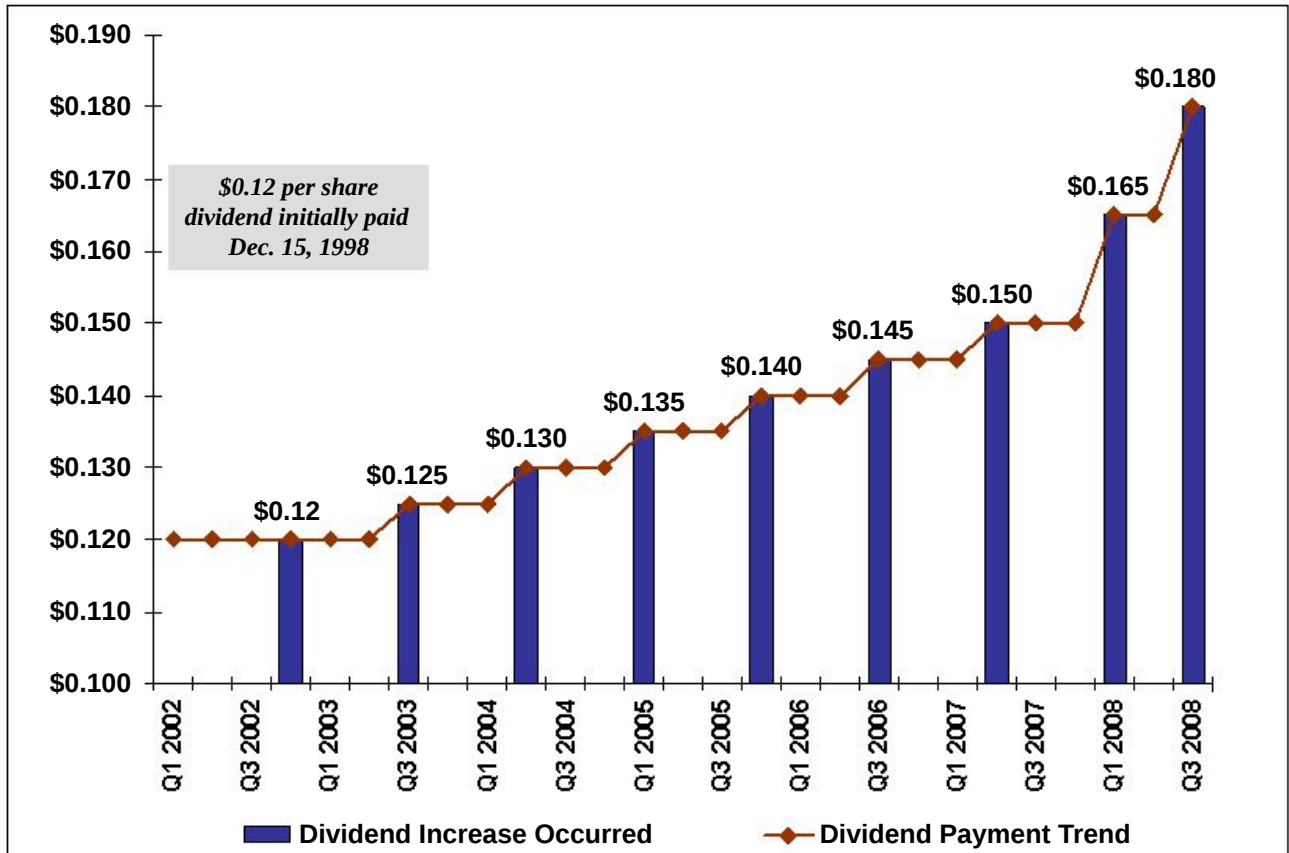


- \$320.0 million committed line of credit
- \$85.0 million revolving A/R receivable sales facility
- Sales agency agreement to issue up to 2 million shares
- Modest maturities

Dividend History



Targeting 60% – 70% payout ratio





Consolidated	\$1.35-\$1.55
Avista Utilities	\$1.20-\$1.40
Advantage IQ	\$0.10-\$0.12
Other	\$(0.03)-\$0.00

This presentation contains forward-looking statements, including statements regarding our current expectations for future financial performance and cash flows, capital expenditures, our current plans or objectives for future operations, future hydroelectric generation projections and other factors, which may affect the company in the future. Such statements are subject to a variety of risks, uncertainties and other factors, most of which are beyond our control and many of which could have significant impact on our operations, results of operations, financial condition or cash flows and could cause actual results to differ materially from those anticipated in such statements.

The following are among the important factors that could cause actual results to differ materially from the forward-looking statements: weather conditions, including the effect of precipitation and temperatures on the availability of hydroelectric resources and the effect of temperatures on customer demand; changes in wholesale energy prices that can affect, among other things, cash needed to purchase electricity, natural gas for our retail customers and natural gas fuel for electric generation, and the value of surplus energy sold, volatility and illiquidity in wholesale energy markets, including the availability and prices of purchased energy and demand for energy sales; the effect of state and federal regulatory decisions affecting our ability to recover costs and/or earn a reasonable return including, but not limited to, the disallowance of costs that we have deferred; the potential effects of any legislation or administrative rulemaking, including the possible adoption of national or state laws requiring resources to meet certain standards and placing restrictions on greenhouse gas emissions to mitigate concerns over global warming; the outcome of pending regulatory and legal proceedings arising out of the "western energy crisis" of 2000 and 2001, and including possible retroactive price caps and resulting refunds; the outcome of legal proceedings and other contingencies; changes in, and compliance with, environmental and endangered species laws, regulations, decisions and policies, including present and potential environmental remediation costs; wholesale and retail competition including, but not limited to, electric retail wheeling and transmission costs; the ability to relicense and maintain licenses for our hydroelectric generating facilities at cost-effective levels with reasonable terms and conditions; unplanned outages at any of our generating facilities or the inability of facilities to operate as intended; unanticipated delays or changes in construction costs, as well as our ability to obtain required operating permits for present or prospective facilities; natural disasters that can disrupt energy production or delivery, as well as the availability and costs of materials and supplies and support services; blackouts or disruptions of interconnected transmission systems; the potential for future terrorist attacks or other malicious acts, particularly with respect to our utility assets; changes in the long-term climate of the Pacific Northwest, which can affect, among other things, customer demand patterns and the volume and timing of streamflows to our hydroelectric resources; changes in future economic conditions in our service territory and the United States in general, including inflation or deflation; changes in industrial, commercial and residential growth and demographic patterns in our service territory; the loss of significant customers and/or suppliers; default or nonperformance on the part of any parties from which we purchase and/or sell capacity or energy; deterioration in the creditworthiness of our customers and counterparties; our ability to obtain financing through the issuance of debt and/or equity securities, which can be affected by various factors including our credit ratings, interest rates and other capital market conditions; the effect of any change in our credit ratings; changes in actuarial assumptions, the interest rate environment and the actual return on plan assets for our pension plan, which can affect future funding obligations, costs and pension plan liabilities; increasing health care costs and the resulting effect on health insurance provided to our employees and retirees; increasing costs of insurance, changes in coverage terms and our ability to obtain insurance; employee issues, including changes in collective bargaining unit agreements, strikes, work stoppages or the loss of key executives, as well as our ability to recruit and retain employees; the potential effects of negative publicity regarding business practices, whether true or not, which could result in, among other things, costly litigation and a decline in our common stock price; changes in technologies, possibly making some of the current technology obsolete; changes in tax rates and/or policies; and changes in our strategic business plans, which may be affected by any or all of the foregoing, including the entry into new businesses and/or the exit from existing businesses.

For a further discussion of these factors and other important factors, please refer to the company's Annual Report on Form 10-K for the year ended Dec. 31, 2007 and the company's 10-Q for the quarter ended June 30, 2008. The forward-looking statements contained in this presentation speak only as of the date hereof. The company undertakes no obligation to update any forward-looking statement or statements to reflect events or circumstances that occur after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management to predict all of such factors, nor can it assess the impact of each such factor on the company's business or the extent to which any such factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

