FORM 4

## **UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

## STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

| OMB APPROVAL        |           |  |  |  |  |  |  |  |  |
|---------------------|-----------|--|--|--|--|--|--|--|--|
| OMB Number:         | 3235-0287 |  |  |  |  |  |  |  |  |
| Estimated average b | ourden    |  |  |  |  |  |  |  |  |

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 or Section 30(h) of the Investment Company Act of 1940

| 1. Name and Address of Reporting Person* <u>Kopczynski Don F</u>   |  |  |                              |       | 2. Issuer Name <b>and</b> Ticker or Trading Symbol<br><u>AVISTA CORP</u> [ AVA ] |   |   |      |   |                      |                        |                        |  | all app   | olicable)<br>ctor  | g Person(s) to Is | Owner     |
|--|--|--|------------------------------|-------|--|---|---|------|---|----------------------|------------------------|------------------------|--|---|--|-------------------|-----------|
| (Last) (First) (Middle) L  |  |  |                              |       |  | 3. Date of Earliest Transaction (Month/Day/Year) 01/03/2007 |   |      |   |                      |                        |                        | X  | belov   | icer (give title Other (spec<br>ow) Vice President                 |                   |           |
| (Street) SPOKANE WA 99202  (City) (State) (Zip)  |  |  |                              | 4. If | 4. If Amendment, Date of Original Filed (Month/Day/Year)                         |   |   |      |   |                      | 6. Indiv<br>Line)<br>X | Form<br>Form           | idual or Joint/Group Filing (Check Applicable  Form filed by One Reporting Person  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. Transactic Date (Month/Day/  |  |  |                              |       | Execution Date,  |   | 3.<br>Transaction<br>Code (Instr. 8)  4. Securities Acquired (A) of Disposed Of (D) (Instr. 3, 4 and 1) |      |   | and 5) Secur<br>Bene |                        | icially<br>d Following | 6. Ownership<br>Form: Direct<br>(D) or Indirect<br>(I) (Instr. 4)  | 7. Nature<br>of Indirect<br>Beneficial<br>Ownership<br>(Instr. 4) |  |                   |           |
|  |  |  |                              |       |  |   |   | Code | v   | Amount               | (A) or<br>(D)          | Price                  | •  | Transa  | action(s)<br>3 and 4)  |                   | (11150.4) |
| Common Stock - Restricted Stock Award 01/03/20   |  |  |                              | 2007  | 007  |   | S   |      | 110(1)  | D                    | \$25                   | .6381                  |  | 890   | D  |                   |           |
| Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities) |  |  |                              |       |  |   |   |      |   |                      |                        |                        |  |   |  |                   |           |
| 1. Title of<br>Derivative<br>Security<br>(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.<br>Transa<br>Code (<br>8) |       | nstr. Derivative Securities Acquired (A) or Disposed of (D) ((Instr. 3, 4 and 5) |   | 6. Date Exercisable and Expiration Date (Month/Day/Year)  Date Expiration Date Expiration Date          |      | 7. Title and Amount of Securities Underlying Derivative Security (Instr. and 4)  Amoun or Numbe of Title Shares |                      |                        |                        | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction (Instr. 4)                                  | Ownership<br>Form:<br>Direct (D)<br>or Indirect<br>(I) (Instr. 4) | 11. Nature<br>of Indirect<br>Beneficial<br>Ownership<br>(Instr. 4) |                   |           |

## Explanation of Responses:

1. Shares sold to pay income taxes on restricted shares that vested on 1/3/2007.

<u>/s/ Don F. Kopczynski</u> <u>01/05/2007</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.