

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): January 6, 2000

AVISTA CORPORATION
(Exact name of registrant as specified in its charter)

Washington (State or other jurisdiction of incorporation or organization)	1-3701 (Commission File Number)	91-0462470 (I.R.S. Employer Identification No.)
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1411 East Mission Avenue, Spokane, Washington (Address of principal executive offices)	99202-2600 (Zip Code)
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Registrant's telephone number, including area code: Web site: http://www.avistacorp.com	509-489-0500
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(Former name or former address, if changed since last report)

ITEM 5. OTHER INFORMATION

A copy of the press release announcing lower utility revenues due to warm weather and fourth quarter charges due to restructuring at Avista Energy and impairment of utility assets is attached hereto as Exhibit 99 and is incorporated herein by reference. Neither the filing of any press release as an exhibit to this Current Report nor the inclusion in such press releases of a reference to the Company's Internet address shall, under any circumstances, be deemed to incorporate the information available at such Internet address into this Current Report. The information available at the Company's Internet address is not part of this Current Report or any other report filed by the Company with the Securities and Exchange Commission.

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: January 10, 2000

/s/ Jon E. Eliassen

Jon E. Eliassen
Senior Vice President and
Chief Financial Officer
(Principal Accounting and
Financial Officer)

[AVISTA Corp. LOGO]

NEWS RELEASE

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FOR IMMEDIATE RELEASE:
JANUARY 6, 2000

AVISTA CORP. TO REPORT LOWER REVENUES DUE TO WEATHER
Anticipates Fourth Quarter Charge Due to
Restructuring and Impairment Recognition

SPOKANE, WASH.: Avista Corp. (NYSE: AVA) today announced that lower demand for electricity and natural gas resulting from unseasonably warm weather is expected to adversely affect quarterly utility revenues and earnings. Preliminary estimates for the quarter indicate that heating degree day totals in all of the Avista Utilities key markets will fall 10 percent to 15 percent below Avista's expectations.

Avista Corp. will record a \$32 million after-tax charge to be taken in the fourth quarter of 1999. The charge has two components: \$27 million related to its previously announced downsizing of Avista Energy trading operations and \$5 million of additional charges related to impaired utility assets in the Pacific Northwest and other items. The portion of the charge related to Avista Energy reflects discontinued operations in Houston and Boston and includes the majority of the \$10 million to \$15 million in estimated costs previously announced.

The dramatic changes in the energy trading and marketing business over the past year caused Avista Corp. to reevaluate the need for a national trading perspective with its Avista Energy subsidiary. As a result, Avista Corp. has elected to focus Avista Energy's primary efforts on asset-backed energy marketing in the West and Northwest. The reductions in the energy trading business are expected to result in the elimination of approximately 80 positions, primarily in Houston and Boston.

In November, Avista Corp. announced it was evaluating a number of options for Avista Energy, including the sale of a portion of the business. While these efforts may continue, no such sale is considered probable at this time. Avista will seek a buyer for Avista Energy's Eastern book of business.

Avista Corp., a Fortune 500 company, is an energy, information and technology company with utility and subsidiary operations located throughout North America. Avista Corp.'s businesses focus on delivering superior products and providing innovative solutions to business and residential customers throughout the United States and Canada.

Avista Corp. also operates Avista Capital, which owns all the company's non-regulated energy and non-energy businesses. Avista Capital companies include Avista Energy, Avista Energy Canada, Ltd., Avista Power, Avista Advantage, Avista Labs, Avista Fiber, Avista Communications, Avista Development and Pentzer Corporation. Avista Corp.'s stock is traded under the ticker symbol "AVA." For more information about Avista Corp. and its affiliate businesses, visit the corporate website at www.avistacorp.com

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This news release contains forward-looking statements regarding the company's current expectations. These statements are subject to a variety of risks and uncertainties that could cause actual results to differ materially from the expectations. These risks and uncertainties include, in addition to those discussed herein, all of the factors discussed in the company's Annual Report on Form 10-K for the year 1998 and the Quarterly Report on Form 10-Q for the quarter ended Sept. 30, 1999.