FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

| OMB A | PPROVAL |
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| OMB Number: | 3235-028 |

37 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

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|---|---|------------------|--|-----------------------|---|--|---|-----------------|--|-----------------------------|--------------------|---|---------|--|---|--|--|--|--|
| 1. Name and Address of Reporting Person* TAYLOR R JOHN | | | | | | 2. Issuer Name and Ticker or Trading Symbol AVISTA CORP [AVA] | | | | | | | | 5. Relationship of Reporting Person(s) to Iss (Check all applicable) X Director 10% Ov | | | | | |
| (Last) 1411 E M | (Fi | (First) (Middle) | | | | | 3. Date of Earliest Transaction (Month/Day/Year) 09/14/2010 | | | | | | | Λ | | er (give title | 10% Owner Other (specify below) | | |
| (Street) SPOKAN (City) | | | 99202 (Zip) | | _ 4. If | 4. If Amendment, Date of Original Filed (Month/Day/Year) | | | | | | | | 6. Indiv Line) X | Forn Forn | al or Joint/Group Filing (Check Applicable Form filed by One Reporting Person Form filed by More than One Reporting Person | | | |
| | | Tabl | le I - N | on-Deriv | /ative | Sec | uritie | s Ac | auirea | d. Di | sposed o | f. or E | Benefic | ially | Owne | ed | | | |
| 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) of Disposed Of (D) (Instr. 3, 4 a | | | r 5. Am Secur Bene Owne | | ount of ities icially d Following | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership | | | |
| | | | | | | | | | Code | v | Amount | (A) o (D) | r Price | | | action(s) 3 and 4) | | (Instr. 4) | |
| Common Stock | | | | | 09/14/2010 | | | | S | | 13,497 | D | \$20. | 9268 | 268 13,78 | | D | | |
| Common Stock 09/1 | | | | | 2010 | | | | S | | 5,500 | D | \$20 | 0.88 | | 8,285 | D | | |
| Shares held by Deferral Account | | | | | | | | | | | | | | | | 5,496 | I | by Trustee | |
| Shares held by Profit Sharing Plan | | | | | | | | | | | | | | | 4,000 | I | by Trustee | | |
| | | Та | able II | | | | | | | | osed of, convertib | | | | wned | | | | |
| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | | Executi if any | Execution Date, f any | | 4. Transaction Code (Instr. B) | | | | Exerc tion Da n/Day/Y | | 7. Title and Amount of Securities Underlying Derivative Security (Instr. and 4) | | Deri Sec (Inst | vative (| 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 Exercis | sable | Expiration Date | Title | Amount or Number of Shares | | | | | | | |

Explanation of Responses:

/s/R. John Taylor

09/15/2010

** 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.