

Kopczynski Don F
 Form 4
 January 13, 2009

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2005
 Estimated average burden hours per response... 0.5

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
 Kopczynski Don F

2. Issuer Name and Ticker or Trading Symbol
 AVISTA CORP [AVA]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
 1411 E. MISSION AVENUE
 (MSC-10)

3. Date of Earliest Transaction
 (Month/Day/Year)
 01/09/2009

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 Vice President

(Street)
 SPOKANE, WA 99202

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 ____ Form filed by More than One Reporting Person

(City) (State) (Zip)

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 (D) Price		
Common Stock - Performance Shares	01/09/2009		M		4,602 A <u>(1)</u> 16,407	D	
Common Stock - Performance Shares	01/09/2009		F		1,488 <u>(2)</u> D \$ 19.15 14,919	D	
Common Stock - 2006 Restricted Share Award	01/09/2009		S		109 <u>(3)</u> D \$ 19.1 14,810	D	

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Common Stock - 2007 Restricted Stock Award	01/12/2009	F	73 ⁽⁴⁾	D	\$ 19.15	14,737	D	
Common Stock - 2008 Restricted Share Award	01/12/2009	F	118 ⁽⁵⁾	D	\$ 19.15	14,619	D	
Common Stock held in 401(k) Investment Plan						5,316	I	by Trustee
Common Stock held in Executive Deferral Account						402	I	by Trustee
Common Stock held by Child						17	I	by Child

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474
(9-02)

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 Underlying Securities (Instr. 3 and 4)	8. Amount or Number of Shares
Conversion of 2006 Performance Shares	<u>(1)</u>	01/09/2009		M	3,900	<u>(1)</u> <u>(1)</u>	Common Stock	3,900

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Kopczynski Don F 1411 E. MISSION AVENUE (MSC-10) SPOKANE, WA 99202			Vice President	

Signatures

/s/ Don F.
Kopczynski 01/13/2009

 Signature of Date
Reporting Person

Explanation of Responses:

- * 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).
- (1) Each performance share represented a contingent right to receive a share of Avista Common Stock upon Avista achieving a specified performance measure.
- (2) Shares sold to pay income tax on Performance Shares acquired on 1/9/2009.
- (3) Shares sold to pay income tax on final 1/3 of 2006 restricted shares that vested on 12/31/2008.
- (4) Shares sold to pay income tax on second 1/3 of 2007 restricted shares that vested on 01/02/2009.
- (5) Shares sold to pay income tax on first 1/3 of 2008 restricted shares that vested on 01/02/2009.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.