

SECURITIES AND EXCHANGE COMMISSION

FORM 4

Statement of changes in beneficial ownership of securities

Filing Date: **2010-02-16** | Period of Report: **2010-02-11**
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REPORTING OWNER

FELTES KAREN S

CIK: **1174954**

Type: **4** | Act: **34** | File No.: **001-03701** | Film No.: **10605920**

Mailing Address

*1411 E MISSION AVE
SPOKANE WA 99202*

ISSUER

AVISTA CORP

CIK: **104918** | IRS No.: **910462470** | State of Incorporation: **WA** | Fiscal Year End: **1231**
SIC: **4931** Electric & other services combined

Mailing Address

*1411 EAST MISSION
SPOKANE WA 99202*

Business Address

*1411 E MISSION AVE
SPOKANE WA 99202
5094890500*

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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

1. Name and Address of Reporting Person FELTES KAREN S			2. Issuer Name and Ticker or Trading Symbol AVISTA CORP [AVA]			5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below) Sr. VP & Corporate Secretary		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) 02/11/2010			6. Individual or Joint/Group Filing (Check applicable line) <input checked="" type="checkbox"/> Form Filed by One Reporting Person <input type="checkbox"/> Form Filed by More than One Reporting Person		
1411 E MISSION AVE			4. If Amendment, Date Original Filed(Month/Day/Year)					
(Street) SPOKANE, WA 99202								
(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	(A) or (D)	Price			
Common Shares - Restricted Shares	02/11/2010		A		4,900	A	(1)	9,951	D	
Common Stock held in 401(k) Investment Plan								699	I	by Trustee

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 Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date						Title
Performance Shares	(2)	02/11/2010		A		12,500		(3)	(3)	Common Stock	12,500	\$19.8	12,500	D	

Explanation of Responses:

1. Restricted shares vest one-third each year over a three-year period and are payable in Avista Corp. Common Stock at the end of each year in the three-year period.
2. No conversion price. Shares awarded if performance measure is met.
3. Each performance cycle is three years in length. Shares will be issued at the end of each three-year cycle if performance measure is met.

Signatures

/s/ Karen S. Feltes

** Signature of Reporting Person

02/16/2010

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.