

AVISTA CORP  
Form 4  
March 16, 2007

**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 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 \*  
NORWOOD KELLY O

(Last) (First) (Middle)  
1411 E MISSION AVE  
(Street)  
SPOKANE, WA 99202  
(City) (State) (Zip)

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

3. Date of Earliest Transaction (Month/Day/Year)  
03/14/2007

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_ Director \_\_\_ 10% Owner  
 Officer (give title below) \_\_\_ Other (specify below)  
Vice President

6. Individual or Joint/Group Filing(Check Applicable Line)  
 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. 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 Ownership (Instr. 4)
				(A) or (D)	Price		
Common Stock	03/14/2007		S	D	\$ 23.63	8,707	D
Common Stock <sup>(1)</sup>	03/14/2007		M	A	11,707		D
Common Stock	03/14/2007		S	A	\$ 23.63	8,707	D
Common Stock - 401(k) Investment Plan Shares						8,769	I by Trustee

Common Stock 3 I by Spouse

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 (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)	Amount or Number of Shares
Employee Stock Options <sup>(1)</sup>	\$ 10.17	03/14/2007		M	3,000	11/07/2003 <sup>(2)</sup> 11/07/2012	Common Stock	3,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
NORWOOD KELLY O 1411 E MISSION AVE SPOKANE, WA 99202			Vice President	

## Signatures

/s/ Kelly O. 03/16/2007  
Norwood

\*\*Signature of Reporting Person Date

## 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) Exercise of Employee Stock Options under the Company's Long-Term Incentive Plan. 9,000 Options were granted on 11/07/2002 at an option price of \$10.17.

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- (2) Options vest in four equal annual installments beginning on the first anniversary of the grant date. 9,000 options were granted on 11/07/2002.
- (3) Total reflects the number of derivative securities remaining under this particular option grant.

### **Remarks:**

Total of 6,000 shares sold under Mr. Norwood's 10b5-1 Sales Plan dated December 14, 2006.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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