

AVISTA CORP  
Form 4  
January 14, 2009

**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 \*  
MALQUIST MALYN K

(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)  
01/12/2009

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)  
Executive 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)
			Code	V	Amount (A) or (D) Price		
Common Stock - 2007 Restricted Stock Award	01/12/2009		F		262 <sup>(1)</sup> D \$ 19.15	50,739	D
Common Stock - 2008 Restricted Stock Award	01/12/2009		F		389 <sup>(2)</sup> D \$ 19.15	50,350	D
Common Stock	01/14/2009		M		26,250 <sup>(3)</sup> A \$ 10.17	76,600	D

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Common Stock	01/14/2009	S	26,250 (3)	D	\$ 18.66	50,350	D	
Common Stock held in 401(k) Investment Plan						3,021	I	by Trustee
Common Stock held in Executive Deferral Plan						10,166	I	by Trustee
Common Stock held by Family Trust (6)						9,500	I	by Trustee

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

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(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
Exercise of Stock Option	\$ 10.17	01/14/2009		M	26,250	(4) 11/06/2012	Common Stock	26,250

## Reporting Owners

Reporting Owner Name / Address	Relationships
	Director    10% Owner    Officer    Other
MALQUIST MALYN K 1411 E MISSION AVE	Executive Vice President

SPOKANE, WA 99202

## Signatures

/s/ Malyn K.

01/14/2009

Malquist

\_\_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) Shares sold to pay income tax on second 1/3 of 2007 restricted shares that vested on 01/02/2009.
- (2) Shares sold to pay income tax on first 1/3 of 2008 restricted shares that vested on 01/02/2009.
- (3) Transaction per Mr. Malquist's 10b5-1 Plan dated August 20, 2008.
- (4) Options vest in four equal annual installments beginning the first anniversary of the grant date. Mr. Malquist receive an option grant of 26,250 shares on 11/07/2002.
- (5) Total reflects the number of derivative securities remaining under this particular option grant.
- (6) The Malquist Family Trust, dated February 5, 1999, with Malyn K. Malquist and Georgia G. Malquist, Trustees.

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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