AVISTA CORP Form 4

Stock

Common Stock held

in 401(k)

Investment Plan

November 10, 2008

OMB APPROVAL UNITED STATES SECURITIES AND EXCHANGE COMMISSION OMB 3235-0287 Washington, D.C. 20549 Number: Check this box January 31, Expires: if no longer 2005 STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF subject to Estimated average **SECURITIES** Section 16. burden hours per Form 4 or response... 0.5 Form 5 Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, obligations Section 17(a) of the Public Utility Holding Company Act of 1935 or Section may continue. 30(h) of the Investment Company Act of 1940 See Instruction 1(b). (Print or Type Responses) 1. Name and Address of Reporting Person * 5. Relationship of Reporting Person(s) to 2. Issuer Name and Ticker or Trading Vermillion Dennis P Issuer Symbol AVISTA CORP [AVA] (Check all applicable) (First) (Middle) (Last) 3. Date of Earliest Transaction (Month/Day/Year) Director 10% Owner X_ Officer (give title Other (specify 1411 E MISSION AVENUE 11/07/2008 below) below) Vice President (Street) 4. If Amendment, Date Original 6. Individual or Joint/Group Filing(Check Filed(Month/Day/Year) Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting SPOKANE, WA 99202 Person (City) (State) (Zip) Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned 1.Title of 2. Transaction Date 2A. Deemed 3. 4. Securities Acquired (A) 5. Amount of 7. Nature of Security (Month/Day/Year) Execution Date, if Transaction Disposed of (D) Securities Ownership Indirect (Instr. 3) Code (Instr. 3, 4 and 5) Beneficially Form: Beneficial Ownership (Month/Day/Year) (Instr. 8) Owned Direct (D) or Indirect Following (Instr. 4) Reported (I)(A) Transaction(s) (Instr. 4) (Instr. 3 and 4) Code V Amount (D) Price Common 11/07/2008 M 3,075 Α \$ 18.63 5,584 D Stock Common 11/07/2008 S 3,075 D 2,509 D

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

by

Trustee

6,933

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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. Transactic Code (Instr. 8)	5. Number proof 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. De Se (In
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Exercise of Stock Option	\$ 18.63	11/07/2008		M	3,075	<u>(1)</u>	11/12/2008	Common Stock	3,075	1

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

Vermillion Dennis P

1411 E MISSION AVENUE Vice President

SPOKANE, WA 99202

Signatures

/s/ Dennis P. 11/10/2008 Vermillion

**Signature of Reporting Date

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).
- Options vest in four equal annual installments beginning the first anniversary of the grant date. Mr. Vermillion received an option grant of 4,100 shares on 11/12/1998. He previously exercised and sold 1,025 in January of 2000 prior to becoming subject to Section 16
- (2) Total reflects the number of derivative securities remaining under this particular option grant.

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.

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