

January 16, 2007

Avion Water Company, Inc.
60813 Parrell Road
Bend, OR 97702

Vikie Bailey-Goggins
Oregon Public Utility Commission
PO Box 2148
Salem, OR 97308-2148

RE: Avion Water Company, Inc. Affiliated Interest Application with AFFILIATE
pursuant to ORS 757.495 .

Dear Ms. Bailey-Goggins:

This affiliated interest application is submitted pursuant to ORS 757.495. Because annual payments are less than 0.1 percent of annual revenue, the Company requests that the requirements of OAR 860-036-0730 be waived pursuant to OAR 860-036-0738.

INFORMATION REQUIREMENTS

(a) The name and address of the person authorized on the water utility's behalf, to receive notices, inquiries, and communications regarding the information;

Jan Wick, President, 60813 Parrell Road, Bend, OR 97702

Jason Wick, Vice-President, 60813 Parrell Road, Bend, OR 97702

Richard Bailey, Secretary-Treasurer, 60813 Parrell Road, Bend, OR 97702

(b) A statement describing the relationship between the water utility and the contracting entity as defined by ORS 757.015 and 757.490;

Conservation Associates, LLC is an affiliated interest of Avion Water Company, Inc. through common ownership as defined in ORS 757.015(5).

(c) A list of all officers and directors of the affiliated interest who are also officers or directors of the applicant;

Jan Wick

Jason Wick

(d) A description of the goods or services to be provided, the cost incurred in providing each of the goods or services, the market value of the goods or services if different from the costs, and the method or methods proposed for pricing those goods or services;

Consulting services regarding energy tax credits for using canal water instead of domestic water.

(e) An estimate of the amount the water utility will pay annually for the goods or services and the accounts in which it will record the charges;

Avion Water paid \$1,152.90 for 2005 and expects to pay \$0 for 2006/2007.

(f) Transfer prices in contracts or agreements for the procurement of goods or services under competitive procurement shall be presumed to be the market value, subject to evaluation of the procurement process;

2005 payments were de minimis in nature and no competitive bids were sought or obtained.

(g) A copy of the proposed contract or agreement between the water utility and the contracting entity; and

No written contract exists at this time. A written agreement will be executed when it is decided to proceed with the project.

For the reasons set forth above, Avion Water Company, Inc.
NAME OF COMPANY

respectfully requests that the Commission issue an order approving the affiliated

interest contract between , Avion Water Company, Inc. and
NAME OF COMPANY

Conservation Associates, LLC, pursuant to the provisions of
NAME OF AFFILIATE

ORS 757.495.

DATE: _____

Avion Water Company, Inc.
NAME OF COMPANY

(SIGNATURE OF AUTHORIZED PERSON)

Avion Water Company, Inc.

January 16, 2007

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Jason Wick
(PLEASE PRINT NAME)

Vice President
(TITLE)

Jason Wick

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DATE: 1/18/07

Avion Water Company, Inc.
NAME OF COMPANY


(SIGNATURE OF AUTHORIZED PERSON)