



AVION WATER CO INC.

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VIA ELECTRONIC FILING

March 22, 2024

Public Utility Commission of Oregon
Attn: Filing Center
201 High Street SE, Suite 100
Post Office Box 1088
Salem, OR 97308-1088

RE: UP - _____ Joint application for an order approving the sale of assets and transfer to exclusive service territory of Long Butte Water System, Inc. to Avion Water Company, Inc., and request for expedited consideration

To whom it may concern:

Avion Water Company, Inc. hereby submits the attached joint application for the sale of assets and transfer of service territory of Long Butte Water System, Inc. to Avion Water Company, Inc., with a request for expedited consideration and the related exhibits. Please note that the application and its Exhibit A contains confidential information and will be filed accordingly.

Please address correspondence on this matter as follows:

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(503) 610-7618

Yours very truly,

/s/ Jason J. Wick

Jason J. Wick
President
attachments

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UP ____

In the Matter of the Joint Application for an Order Approving the Sale of Assets and Transfer of Exclusive Service Territory of Long Butte Water System, Inc. to Avion Water Company, Inc., pursuant to ORS 757.480 and OAR 860-036-2120, and ORS 758.310 and OAR 860-036-1840.

**JOINT APPLICATION FOR AN
ORDER APPROVING THE SALE OF
ASSETS AND TRANSFER OF
EXCLUSIVE SERVICE TERRITORY
OF LONG BUTTE WATER SYSTEM,
INC. TO AVION WATER COMPANY
INC., AND REQUEST FOR
EXPEDITED CONSIDERATION**

1 **I. INTRODUCTION**

2 Pursuant to ORS 757.480(6) and OAR 860-036-2120, and ORS 758.310 and
3 OAR 860-036-1840, Avion Water Company, Inc. (“Avion Water”), and Long Butte
4 Water System, Inc. and its owner Patrick R. Hodge (collectively, “Long Butte
5 Water”), submit to the Public Utility Commission of Oregon (“Commission”) this joint
6 application (“Joint Application”) requesting approval, in an expedited manner, of the
7 sale of the assets and transfer of the exclusive service territory of Long Butte Water
8 to Avion Water (the “Proposed Transaction”), in accordance with the Asset Purchase
9 Agreement effective February 2, 2024 (the “Asset Agreement”) and the Assignment
10 and Assumption Agreement effective February 5, 2024 (the “Assignment
11 Agreement”). Avion Water and Long Butte Water each is a “Party” and collectively
12 are the “Parties.”

1 II. DISCUSSION

2 A. The Parties

3 1. Avion Water

4 Avion Water is a water utility that provides water to 14,537 residential
5 customers, 402 commercial customers and 858 irrigation customers. The water
6 utility service territory includes areas from near the Deschutes-Jefferson County line
7 in the north, south of the La Pine area, east into Crook County in the Powell
8 Butte/Alfalfa area and west to the Sisters area. NW Natural Water of Oregon, LLC
9 (“NW Natural Water of Oregon”) has a 45.6% ownership stake in Avion Water.¹

10 2. Long Butte Water

11 Long Butte Water is a water utility with approximately 338 residential
12 customers just north of Bend, Oregon.

13 B. Description of the Proposed Transaction

14 Under the Proposed Transaction, Avion Water will purchase substantially all
15 of the assets of Long Butte Water. Long Butte Water executed the Asset Agreement
16 with Sunstone Water, LLC (“Sunstone Water”).² Sunstone Water then assigned all

¹ See In the Matter of Avion Water Company, Inc. (“Avion Water”), Application to Issue Stock, Bonds, Notes, or Other Securities to NW Natural Water of Oregon, LLC, Order No. 23-371 (entered October 20, 2023).

² **Sunstone Water** is NW Natural Water’s indirect subsidiary for owning and operating regulated utility assets in Oregon, and it wholly owns the assets of the former **Hiland Water** Corporation. See UP 423, In the Matter of Highland [sic – Hiland] Water Corp Subsidiaries, Approving the Sale of Assets and Transfer of Exclusive Serve [sic – Service] Territory to Sunstone Water, LLC, Order No. 23-378 (entered October 20, 2023). Sunstone Water is a wholly-owned subsidiary of **NW Natural Water of Oregon**. In addition to having a 45.6% ownership stake in **Avion Water** as stated above, NW Natural Water of Oregon wholly owns **Sunriver Water LLC**. See UP 384 and UP 391, In the Matters of The Joint Application for Approval of the Sale of Sunriver Water, LLC to NW Natural Water of Oregon, LLC, Pursuant to ORS 757.480 and OAR 860-036-2120 (UP 384) and The Application for Approval of the Assignment of Assets by Sunriver Water, LLC to Sunriver Resort Limited Partnership, Pursuant to ORS 757.480 and OAR 860-036-2120 (UP 391), Order No. 19-147 (entered April 24,

1 rights and obligations under the Asset Agreement to Avion Water, and Avion Water
2 assumed all rights and obligations of Sunstone Water under the Asset Agreement, in
3 accordance with the Assignment Agreement. The executed Asset Agreement is
4 included as Confidential Exhibit A to this Joint Application and the executed
5 Assignment Agreement is included as Exhibit B to this Joint Application.
6 Commission approval of the Proposed Transaction is a condition of closing under
7 the Asset Agreement. Accordingly, the Proposed Transaction will not close until
8 after the Commission issues an order in this proceeding approving the Proposed
9 Transaction.

10 After the Proposed Transaction closes, the assets of Long Butte Water will
11 become the assets of Avion Water. Upon Commission approval of the Proposed
12 Transaction and its closing, the former Long Butte Water customers will take service
13 under Avion Water's rates, which are lower than Long Butte's rates for the typical
14 residential customer.³ Thus, from the perspective of the customers of Long Butte
15 Water, the transition of ownership to Avion Water will benefit customers.

2019). NW Natural Water of Oregon is a wholly-owned subsidiary of **NW Natural Water Company, LLC** ("NW Natural Water"). NW Natural Water wholly owns **Salmon Valley Water Company**. See UP 362, In the Matter of Salmon Valley Water Company, Application for Authorization of the Sale of Salmon Valley Water Company to NW Natural Water Company, LLC, Pursuant to ORS 757.480 and OAR 860-036-2120, Order No. 18-358 (entered September 26, 2018). Through its subsidiaries, NW Natural Water currently owns and operates water and wastewater utility systems in five states (Oregon, Arizona, Idaho, Texas and Washington). NW Natural Water is a wholly-owned subsidiary of **Northwest Natural Holding Company** ("NW Natural Holdings"), which has provided safe, reliable and affordable utility services for 165 years. Through its history, NW Natural Holdings and its subsidiaries have developed core competencies that include constructing and maintaining critical utility infrastructure, providing exemplary customer service, ensuring safe and reliable utility service, and effectively managing regulated utilities. NW Natural Holdings is a publicly-traded company, listed on the New York Stock Exchange under the symbol "NWN," with significant financial resources and access to capital markets to support the capital needs of its subsidiaries.

³ The Base Rate for typical residential customers (5/8-inch Service Meter Size) will decrease from Long Butte's \$34.38 per month to Avion Water's \$28.52 per month. The Commodity Rate for typical

1 C. Legal Standard – ORS 757.480(6) Imposes a “No Harm” Standard

2 In accordance with ORS 757.480(6), Commission authorization is required
3 before a water utility doing business in Oregon may “sell, lease, assign, or otherwise
4 dispose of” water utility property necessary for public service and valued in excess of
5 \$10,000. Pursuant to the Asset Agreement (attached to this Joint Application as
6 Confidential Exhibit A) and the Assignment Agreement (attached to this Joint
7 Application as Exhibit B), Avion Water will purchase substantially all of the assets of
8 Long Butte Water. The statute at issue in this proceeding, ORS 757.480, requires
9 approval by the Commission for the Proposed Transaction. The Commission has
10 interpreted this statute as imposing a “no harm” standard.⁴

11 D. The Proposed Transaction Satisfies the “No Harm” Standard

12 Long Butte Water customers will not be harmed by the Proposed Transaction,
13 and will in fact benefit from new ownership. First, Long Butte Water customers will
14 experience no disruption of service. Second, Long Butte Water customers will
15 benefit from the experience and expertise of Avion Water. In particular, Long Butte
16 Water customers will benefit from the experience and expertise of Avion Water in
17 planning for, building, and maintaining safe and reliable pipeline infrastructure.
18 Avion Water possesses a staff of water operation professionals dedicated to
19 providing quality service and safe drinking water. Long Butte Water will continue to

residential customers will decrease from Long Butte’s \$1.31/100 cu ft (0 to 400 cu ft) and \$1.80/100 cu ft (over 400 cu ft) to Avion Water’s \$1.01/100 cu ft for all usage. See PUC Oregon No. 8, Avion Water Company, Inc., First Revised Sheet No. 3 (effective January 1, 2024); PUC Oregon No. 3, Long Butte Water System, Inc., Original Sheet No. 3 (effective September 29, 2017).

⁴ UP 345, In re Cline Butte Water, LLC, Order No. 17-156 at 3-4 (entered May 1, 2017) (“[W]e apply a ‘no harm’ standard in approving water utility transfer applications”); UM 1011, In the Matter of a Legal Standard for Approval of Mergers, Order No. 01-778 at 10 (entered September 4, 2010).

1 need ongoing capital investment, which Avion Water will provide over time, therefore
2 benefiting Long Butte Water customers. Third, Long Butte Water customers will
3 benefit from the depth of experience of Avion Water with utility management and
4 regulatory compliance. Fourth, Long Butte Water customers will experience an
5 immediate decrease to their water utility rates. Although OAR 860-036-2130
6 authorizes an applicant to seek an acquisition adjustment, Avion Water commits that
7 it will not propose to include any research and due diligence, negotiation, or other
8 acquisition costs associated with its acquisition of the Long Butte Water assets in
9 customer rates in any future Avion Water rate case filing. Going forward with its
10 growth strategy, Avion Water will evaluate whether to seek an acquisition adjustment
11 with other utility acquisitions on a case-by-case basis.

12 E. Requirements for Approval of Sale

13 1. Requirements of ORS 757.480(6)

14 Pursuant to ORS 757.480(6), Commission approval is required before a water
15 utility may “sell, lease, assign or otherwise dispose of the whole of the property of
16 the water utility necessary or useful in the performance of the water utility’s duties to
17 the public or any part thereof of a value in excess of \$10,000, or sell, lease, assign
18 or otherwise dispose of any franchise, permit or right to maintain and operate the
19 water utility or water utility property, or perform any service as a water utility.” The
20 Commission applies a “no harm” standard in its review of such transactions, and as
21 described above in Section II.D, the Proposed Transaction satisfies the “no harm”
22 standard.

1 2. Requirements of OAR 860-036-2120

2 In accordance with OAR 860-036-2120(1), “[w]ater utilities must obtain
3 Commission approval to sell, lease, assign, or otherwise dispose of the whole of the
4 property of such [water utility] necessary or useful in performance of its duties, or
5 any part thereof with a value in excess of \$10,000.” As described further below, this
6 Joint Application satisfies the requirements of OAR 860-036-2120.

7 a. Application Form

8 OAR 860-036-2120(3) requires that “[a] water utility or the other party to these
9 transactions must request authorization using the application form available” on the
10 Commission’s website. Avion Water and Long Butte Water have provided the
11 information required in the Commission’s application form in Section II.E.3, below.

12 b. Notice

13 As required by OAR 860-036-2120(4), the Parties will provide notice of the
14 Proposed Transaction to the Long Butte Water customers more than 60 calendar
15 days prior to the closing of the transaction, and will provide copies to the
16 Commission’s Consumer Services Section. Additionally, the Parties will post notice
17 at the Parties’ offices and on their websites. The draft notice is included as Exhibit C
18 to this Joint Application.

19 3. Water Utility Application for an Order Authorizing the Sale, Transfer, or
20 Merger pursuant to ORS 757.480 and OAR 860-036-2120

21 The information required by the Commission’s application form is set forth
22 below.

1 a. Attach a copy of the contract or agreement to this application.
2 The contract/agreement must contain the exact terms and
3 provisions of the transaction. The Commission will be advised
4 in writing of the exact date the transaction is entered into and
5 that the terms and provisions of the contract/agreement are the
6 same as set forth herein, if this application is approved.

7 The Asset Agreement was entered into on February 2, 2024, and is included
8 as Confidential Exhibit A to this Joint Application. The Assignment Agreement was
9 entered into on February 5, 2024, and is included as Exhibit B to this Joint
10 Application.

11 b. List the names, addresses, telephone numbers, and e-mail
12 addresses of each purchaser or party in the transaction.

13 Jason J. Wick
14 President
15 Avion Water Company, Inc.
16 60813 Parrell Road
17 Bend, OR 97702
18 Jason@avionwater.com

Patrick R. Hodge
President
Long Butte Water System, Inc.
65419 S Hwy 97 Ste J
Bend, OR 97702
lbws@bendbroadband.com

19 Eric W. Nelsen (OSB # 192566)
20 Senior Regulatory Attorney
21 NW Natural
22 250 SW Taylor St.
23 Portland, OR 97204
24 503.610.7618
25 eric.nelsen@nwnatural.com
26 Counsel for Avion Water

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27 c. Describe the utility property that is affected by this transaction.

28 Avion Water is acquiring substantially all of the assets of Long Butte Water,
29 including the items listed on Schedule 2, Exhibit 2a and Exhibit 2e of the Asset
30 Agreement (attached to this Joint Application as Confidential Exhibit A). Such
31 assets include, but are not limited to, the enumerated land and land rights, power

1 generation equipment, pumping equipment, transmission and distribution mains,
2 meters, backflow devices, contracts and office equipment.

3 d. Price and net book value.

4 The purchase price of the assets included in the Asset Agreement is **[BEGIN**
5 **CONFIDENTIAL]** [REDACTED] **[END**

6 **CONFIDENTIAL]**, payable as set forth in the Asset Agreement attached as
7 Confidential Exhibit A to this Joint Application.

8 e. List the reasons the applicant desires to sell, transfer, or merge
9 its property and any facts supporting the reasons why the
10 transaction is proposed.

11 Long Butte Water is selling their assets because doing so is expected to
12 provide additional financial strength, resources and expertise in the best interest of
13 the communities and customers served. Long Butte Water is fully aware that
14 Sunstone Water assigned the Asset Agreement to Avion Water by the Assignment
15 Agreement and that Avion Water will be the owner and operator of the Avion Water
16 assets and provide service to the former Long Butte Water customers.

17 f. List and discuss all effects of the transaction upon current
18 customers.

19 Avion Water expects that the Proposed Transaction will be seamless from the
20 perspective of the Long Butte Water customers, and no Long Butte Water customer
21 will experience interruption in service in connection with the sale of the Long Butte
22 Water assets. The Proposed Transaction also will benefit Long Butte customers by
23 immediately decreasing their rates to those of Avion Water, and Long Butte
24 customers will continue to be able to pay bills online as they have in the past.

1 g. List and discuss the benefits current customers will realize from
2 this transaction.

3 Avion Water expects that Long Butte Water's customers will benefit as a
4 result of the Proposed Transaction. Please see discussion in Section II.D, above.

5 h. Provide evidence that the purchasers are financially able and
6 willing to take over and operate the utility. Include any
7 experience that the future owners have that will assist them in
8 utility operations and the reasons why they desire to acquire the
9 property. (Attach a copy of the purchaser's financial
10 statements.)

11 Financial Fitness of Avion Water. Under the Proposed Transaction, Avion
12 Water will own and operate the Long Butte Water assets. Avion Water is financially
13 able to own and operate the Long Butte Water assets, as demonstrated by the
14 financial statements discussed below. Notably, the Commission has previously
15 approved Avion Water purchases multiple times.⁵ After the acquisition is completed,
16 Avion Water will determine if future system improvements will be funded by equity,
17 debt, or a combination of both. Thus, Avion Water is financially able to acquire the
18 Long Butte Water assets and to make investments necessary to upgrade, improve
19 and maintain that system so that they can consistently provide safe and reliable
20 water and wastewater service to all of Long Butte Water's customers.

21 Financial Statements. For background, please see Avion Water's Annual
22 Results of Operations Report for calendar year 2022, filed on March 31, 2023 in
23 docket RW 12. Avion Water will be filing its Annual Results of Operations Report for

⁵ See, e.g., UP 319, In the Matter of Avion Water Company, Inc., Request for Authorization to Purchase Desert Springs Water System, Order No. 15-202 (entered June 23, 2015).

1 calendar year 2023 at the end of March 2024 in docket RW 12, and it incorporates
2 that filing by reference herein.

3 Experience in Utility Management. Avion Water has extensive experience in
4 utility management. It has owned and operated water systems for approximately 55
5 years. Avion Water's executive team members all have substantial experience
6 overseeing the operations of a regulated Oregon utility distribution company and will
7 bring this expertise to bear for Long Butte Water's customers. Importantly, these
8 executives and their reports have the regulatory, financial, operational, and
9 engineering knowledge and expertise to effectively oversee Long Butte Water's
10 operations. They understand how to plan for and build an efficient infrastructure
11 system and how to maintain that system to ensure safe and reliable service.

12 Desire to Acquire the Assets of Long Butte Water. Avion Water is a growing
13 water utility and desires to acquire the Long Butte Water system. Through its growth
14 strategy, Avion Water seeks to benefit the customers of Long Butte Water by
15 providing a long-term ownership arrangement that will allow for the appropriate
16 oversight of and ongoing investment in the Long Butte Water system.

17 i. Attach a copy of all grants of easements to be transferred. Also
18 attach all water rights to be transferred.

19 Schedule 2 of the Asset Agreement (attached as Confidential Exhibit A) lists
20 all of the easements and water rights that will be transferred from Long Butte Water
21 to Avion Water. Attaching all such easements and water rights to this Joint
22 Application would be administratively burdensome; accordingly, the Parties seek a
23 waiver of this requirement, to the extent necessary, and offer to provide access to
24 such documents to Staff of the Commission during the course of this proceeding.

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III. REQUEST FOR EXPEDITED CONSIDERATION

The Parties request expedited consideration of this Joint Application by the Commission, and the Parties are prepared to close on the Proposed Transaction upon the Commission’s approval and satisfaction of the closing conditions described above. Accordingly, the Parties respectfully request that the Commission approve the Proposed Transaction at its earliest opportunity.

IV. CONCLUSION

Avion Water and Long Butte Water respectfully request that the Commission approve the Proposed Transaction in accordance with ORS 757.480(6) and OAR 860-036-2120, and ORS 758.310 and OAR 860-036-1840, that such approval be provided on an expedited basis, and that the Commission take any other action that it deems necessary and appropriate.

Respectfully submitted this 22nd day of March 2024.

/s/ Eric W. Nelsen
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Counsel for Avion Water Company, Inc.

EXHIBIT A - CONFIDENTIAL

**PROTECTED INFORMATION
SUBJECT TO GENERAL PROTECTIVE ORDER**

ASSIGNMENT AND ASSUMPTION AGREEMENT

This Assignment and Assumption Agreement (the “**Assignment Agreement**”) is made and entered into as of February 5, 2024 (the “**Effective Date**”), by and between Sunstone Water, LLC, an Oregon limited liability company (“**Assignor**”) and Avion Water Company, Inc., an Oregon corporation (“**Assignee**”).

WHEREAS, Assignor entered into an Asset Purchase Agreement, dated February 2, 2024 (the “**Agreement**”), with Long Butte Water Company, an Oregon corporation (“**Seller**”) and Patrick R. Hodge (“**Owner**”); and

WHEREAS, Assignor desires to assign all rights and obligations under the Agreement to Assignee, and Assignee desires to assume all rights and obligations of Assignor under the Agreement, as set forth herein.

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants contained herein, and for other good and valuable consideration, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

1. Assignment and Assumption.

As of the Effective Date, pursuant to Section 20 of the Agreement, Assignor hereby assigns, sells, transfers and sets over (collectively, the “**Assignment**”) to Assignee all of Assignor’s right, title, benefit, privileges and interest in and to, and all of Assignor’s burdens, obligations and liabilities in connection with, the Agreement. Assignee hereby accepts the Assignment and assumes and agrees to observe and perform all of the duties, obligations, terms, provisions and covenants, and to pay and discharge all of the liabilities of Assignor to be observed, performed, paid or discharged under the Agreement from and after the Effective Date.

2. Governing Law; Binding Effect.

This Assignment Agreement shall be governed by and construed in accordance with the laws of the State of Oregon applicable to contracts made and performed in such state without giving effect to the choice of law principles of such state that would require or permit the application of the laws of another jurisdiction.

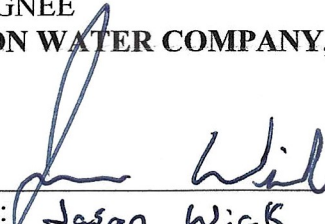
IN WITNESS WHEREOF, the parties have executed this Assignment Agreement as of the date first above written.

ASSIGNOR
SUNSTONE WATER, LLC



By:
Name: Justin B. Palfreyman
Title: President

ASSIGNEE
AVION WATER COMPANY, INC.



By: _____
Name: Jason Wick
Title: President



3/22/2024

<<Address Block>>

RE: Long Butte Water System

My name is Jason Wick, president of Avion Water Company. You may or may not have heard that Avion has reached an agreement to purchase the Long Butte Water System. We are now beginning the transition.

For those unfamiliar with us, let me provide some background on who we are. Avion has been in operation since 1968 and we currently provide over 16,000 homes and businesses in Central Oregon with award winning water. Our service territory includes both Deschutes and Crook Counties including Bend, La Pine, Redmond, Sisters, and Powell Butte. You can find our one and only office locally at the south end of Bend, with customer service hours of 7am and 4pm Monday through Friday.

Once the transition is completed Avion is responsible for all general questions, account billing, service requests, and system maintenance. Any previous correspondence sent by Long Butte Water is not connected with Avion and we cannot assist you with those matters. If you any have questions regarding historical items, you would need to reach out to Long Butte Water at 541-383-2863 or the Oregon Public Utility Commission's (PUC) Consumer Services Section at 1-800-522-2404 for resolution.

We have enclosed our customer welcome letter for additional information. Avion has proposed incorporating Long Butte Water into our PUC approved rate structure. It is possible that the PUC may require that Long Butte Water customers continue to be billed at their current rates until a general rate case is completed.

I want to re-assure you that, as an Avion customer, you will be provided with the same great service that has made us one of the best utilities in Oregon.

Thank you,



Jason Wick, PE
President
Avion Water Company



From all our employees, welcome to Avion Water Company. The enclosed information communicates our current rates, important information about us, terms and conditions of your service agreement, and what your rights and responsibilities are as an Oregon utility customer.

If you encounter water emergencies outside of our normal business hours of 7am - 4pm Monday through Friday call 541-382-5342 and our answering service will dispatch a technician. Non-emergency service calls placed after business hours will be subject to fees as allowed by the Oregon Public Utility Commission.

Options for bill payment include:

- Cash and check payments: Accepted in person, in our drop box on the Avion site, or mailed to our processing center PO Box 3936 Seattle, WA 98124.
- One time or autopay credit or debit card transactions: Accepted in person, over the phone, or on our website www.avionwater.com.
- ACH direct debits (Checking or Savings accounts): A form with signature is required as well as a voided check. For ease an enrollment form is attached or you can find it on our website www.avionwater.com under forms and can return it in person, by mail, or via email to avion@avionwater.com.
- Payments can also be set up directly through your financial institutions' online bill pay program.

Avion Water Company has set billing cycles based on geographic areas and they cannot be adjusted. Your statement will be issued mid-month and payments are due at the end of the month. It is your responsibility to ensure that a bill is received and reviewed each month. Paperless statements are available after registering for web access by selecting the pay online option on our website www.avionwater.com.

Meter reads will be conducted in all months, weather dependent. When unable to read the meters, usage will be estimated at 700 cubic feet. All meter reads are rounded to the nearest 100 cubic feet except for any final readings.

You are financially responsible for the account until you have contacted Avion Water Company. to end the services. Avion Water Company. is unable to backdate the date of the request.

As of your service start date the rates for Avion Water Company, Inc. can be found below. The meter size for your property was decided on by either the developer or builder of your home and is only changed under extraordinary circumstances.

Meter Size	Monthly Base Rate
5/8 Inch	\$28.52
¾ Inch	\$42.77
1 Inch	\$71.29
1 ½ Inch	\$142.58
2 inches	\$228.12
3 inches	\$427.73
4 inches	\$712.88
6 inches	\$1425.77
8 Inches	\$2281.23

Commodity Rate	Per	Number of Units	Unit of Measure
\$1.01	Per	100	Cubic Feet

Commodity Power Cost Adjustment Rate
\$0.05 per 100 Cubic Feet

If applicable, accounts are subject to the City of Bend Franchise Fee of **6%**, a cross connection program fee of **\$2.76** per month, monthly irrigation district assessments, fire service and/or fire hydrant charges.

For payments over 30 days delinquent, a late payment penalty is charged at **2.3%** of the total amount past due.

Again, welcome to Avion Water Company, Inc. We look forward to providing you with the best tasting water in Oregon, as awarded to us by the Oregon Association of Water Utilities in 2022, 2023, and recently announced 2024.

Avion Water Company, Inc. Water Service Agreement Terms and Conditions

The applicant verbally agrees to the terms and conditions of the AVION WATER COMPANY, INC water service agreement found below. At the time the applicant requested that utility personnel create an account for a property in the applicant’s name.

The applicant agrees to allow AVION WATER COMPANY, INC. to enter upon their property as necessary to maintain, operate, or replace any existing Avion Water Company, Inc. facilities and to read meters. Prior to converting a single-family premise to a commercial use premise, the applicant agrees to request approval from the utility. If required by the utility the applicant is responsible for any and all changes related to the installation of a larger meter. The applicant further agrees not to extend their service line from the structure herein applied for to any additional structures, without prior consent from the utility.

Water services for the property address given at time of application will remain in the name of the applicant until the applicant requests the closure of the account or a future owner, tenant, or agent request to take financial responsibility for the property. The applicant is responsible for verifying the closure and full payment of the water service account. The applicant is responsible for any and all charges assessed to the account if failing to notify the utility of the intent to close the account.

The applicant agrees to pay the rates and abide by the rules and regulations established as a condition for the use of water. Also, the applicant agrees that the meter box and contents within said box and the pipe leading from the mainline to the meter box is the sole property of AVION WATER COMPANY, INC and the applicant will refrain from tampering with said facilities. AVION WATER COMPANY, INC. has been granted service rates, rules, and regulations by the Public Utility Commission of the State of Oregon.

RIGHTS AND RESPONSIBILITIES SUMMARY FOR OREGON UTILITY CONSUMERS

If you are applying for service or have service with a utility company in Oregon, you have certain rights and obligations. The following is a summary of those rights and obligations prepared by the Consumer Services Division of the Public Utility Commission. The matters described here apply only to electricity, natural gas, telephone, and water services regulated by the PUC.

The utility company's main obligation is to provide you with reliable services at rates approved by the PUC. Your main obligations are to pay for the services you use to not damage or tamper with the company's facilities, and to notify the company if you move, if you wish to change your service or if you have a problem.

DEPOSITS: The utility may ask you to pay a deposit. If a deposit is required, you may have the right to pay it in several installments.

THIRD-PARTY NOTICES: You have the option to ask that another person receive your bills and notices if, for some reason, you are unable to receive or understand those bills and notices. Also, you may ask your utility company to furnish you with notices in another language if you do not understand English.

FINANCIAL ASSISTANCE: Several programs provide financial help, depending on your circumstances. The Low-income Energy Assistance Program (LIEAP) provides money to qualified customers who need help with winter heating bills. Also, the major energy utility companies have their own financial assistance programs to help their customers. The Oregon Telephone Assistance Program (OTAP) provides reduced phone bills for qualified low-income customers. The Link-Up America program provides financial help with telephone service installation charges for qualified persons.

DISCONNECTION NOTICES: Before a utility company can disconnect your service, the company must notify you. Electric and gas companies are required to give you a 15-day notice, another notice 5 days before disconnection, and must try to contact you the day the disconnection is scheduled. Telephone and water utilities must provide written notice at least 5 days before service is disconnected.

MEDICAL CERTIFICATES: If you or a member of your family has a serious health problem and your utility service is threatened, you may obtain a medical certificate from your doctor or other medical professional who provides your health care. A medical certificate will prevent immediate disconnection of your service and requires your utility to allow you to set up a payment plan to pay any overdue bill. *(Medical certificates do not apply to water utilities.)*

PAYMENT PLANS: You may take advantage of one of several special payment options designed to make it easier to pay your electricity or natural gas utility bills. You may pay your bills on an equal-payment plan which will spread out your payments over the year. If you are unable to pay your electricity or gas bills for a period of time and your utility intends to cut off your service, you may also enter into a special agreement to pay the overdue amount over a period of time.

LATE CHARGES: Customers are responsible for paying their utility bills on time. Under certain circumstances, utilities may add late-payment charges to bills not paid on time.

TELEPHONE SOLICITATION: The Federal government has in place a national "No Call" list for persons you do not want to receive unwanted phone calls from persons or companies trying to sell products and services. It replaced the program previously offered through the Oregon Department of Justice. If you signed up for Oregon's list, you need to register again with the Federal Trade Commission (FTC). After you register, your phone number will show up on the registry by the next day. Telemarketers will have up to three months to have your phone number removed. Your phone number will remain in the registry for five years from the date you sign up. More details are available at www.ftc.gov.

RESOLVING DISPUTES: If you have a dispute with your utility company that is not resolved by contacting the company, the PUC's Consumer Services Division is available to help you. You may contact the PUC by calling toll free 1-800-522-2404.

CONSUMER ASSISTANCE ORGANIZATIONS: Listings of consumer assistance organizations that participate in Commission proceedings, including addresses and telephone numbers, may be requested from the Commission's Consumer Services Division at 1-800-522-2404.

If you have questions about any of the matters described in this summary, please contact your local utility company or the PUC Consumer Services Division. If you do not speak English, please try to arrange in advance for an interpreter to help you. While utilities and the PUC are sensitive to special needs of persons who do not speak English, their offices may not have someone available who speaks your primary language.