

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UF 4363

In the Matter of

AVION WATER COMPANY, INC.,

Application for Authority to Issue Stock,
Bonds, Notes or Other Securities.

ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

At its public meeting on December 9, 2025, the Public Utility Commission of Oregon adopted Staff's recommendation in this matter. The Staff Report with the recommendation is attached as Appendix A.

BY THE COMMISSION:



Alison Lackey

Chief Administrative Law Judge



A party may request rehearing or reconsideration of this order under ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-001-0720. A copy of the request must also be served on each party to the proceedings as provided in OAR 860-001-0180(2). A party may appeal this order by filing a petition for review with the Circuit Court for Marion County in compliance with ORS 183.484.

ITEM NO. CA15

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: December 9, 2025**

REGULAR _____ **CONSENT** X **EFFECTIVE DATE** _____ **Upon Commission Approval**

DATE: November 25, 2025

TO: Public Utility Commission

FROM: Steph Yamada

THROUGH: Bryan Conway and Russ Beitzel **SIGNED**

SUBJECT: AVION WATER COMPANY, INC:
(Docket No. UF 4363)
Requests authority to issue new stock shares to NW Natural Water of Oregon, LLC and Jordan Wick.

STAFF RECOMMENDATION:

Staff recommends the Oregon Public Utility Commission (the Commission) authorize Avion Water Company, Inc.'s (Avion or Company) application to issue incremental common shares to NW Natural Water of Oregon, LLC (NWNW OR) and Jordan Wick (Transaction), subject to the following Staff recommended conditions (Conditions):

1. Authorization Limit: The Company may sell or transfer common shares to NWNW OR and Jordan Wick as described in the Transaction. This authority will remain in effect until the Transaction is executed, or a future like incremental transaction is authorized.
2. Prior Authorization of Common Shares: Upon issuance of an order pursuant to Docket No. UF 4363, all like prior unexecuted common stock transaction authorization is withdrawn.
3. Customary Report of Securities Issued and Disposition of Net Proceeds: The Company shall file the usual Report of Securities Issued and Disposition of Net Proceeds statements within 60 days after the Transaction is completed. This reporting shall include component issuance costs including accounting and legal fees, total amount, per unit price, total expenses, and net proceeds of the issuance and Transaction.

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4. Reservation of Judgement: The Commission reserves the right to review for reasonableness all financial aspects of the Transaction in any rate proceeding, audit, or earnings review under an alternate form of regulation.

DISCUSSION:

Issue

Whether the Commission should approve Avion's request to issue additional common stock shares to NWNW OR and Jordan Wick.

Applicable Law

The Commission has the authority to regulate the issuance of utility securities pursuant to ORS 757.405. Pursuant to ORS 757.410, public utilities must obtain Commission approval prior to issuing notes, other evidence of indebtedness, and any security of a public utility.

Pursuant to ORS 757.420, an application for a Commission order approving the issuance of securities must be given priority and be disposed of within 30 days after the filing of the application unless the public utility consents to the extension of that period. ORS 757.430 provides that the Commission may include in its order conditions to approval that it deems are reasonable and necessary.

OAR 860-036-2150 provides that an application by a rate-regulated water utility to issue securities must comply with the rules set forth in OAR 860-027-0030 governing energy and telecommunications utilities. OAR 860-027-0030 specifies the requirements for such application and the exhibits that must be attached to the public utility's application.

Analysis

Background

Avion is a privately-owned, rate- and service-regulated water utility serving approximately 17,000 residential, commercial, and irrigation customers in the vicinity of Bend, Oregon. Avion submitted its Application to Issue Stock, Bonds, Notes, or Other Securities (Application) on August 15, 2025.

Currently, the Company's Articles of Incorporation authorizes the issuance of 1,000,000 shares of common stock. Prior to this transaction, the total shares issued and

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outstanding were 105,203.¹ After this transaction, “NW Natural Water of Oregon’s ownership interest and voting power in Avion Water will increase to 50.0 percent from 47.883 percent, and Jordan Wick’s ownership interest will decrease to 14.119 percent from 14.716 percent.”² Avion notes that “Jordan Wick seeks an additional share to correct an ownership interest calculation, at the stated price per share.”³ The requested common stock issuance is well within Avion’s internally authorized amount of shares. The Commission has previously approved similar stock issuances in Docket Nos. UF 4330, UF 4338, UF 4344, and UF 4358.

The resulting increase in NWNW OR’s ownership interest to 50.0 percent is addressed in a separate docket, UP 436. Avion requests a Commission decision in both UF 4363 and UP 436 by December 31, 2025.

Capital Infusion

See Confidential Exhibit A.

Use of Proceeds

Avion intends to use projected proceeds for utility purposes consistent with the permissible purposes listed in ORS 757.415(a), (b), and (c). Similar to the filings in Docket Nos. UF 4330, UF 4338, UF 4344, and UF 4358, Avion represents that the proceeds “will be added to the general funds of the Company and used for corporate purposes, including for the construction, completion, extension, or improvement of the Company’s facilities, transmission and distribution mains, and other capital assets.”⁴ Staff generally agrees, and notes that issuing common stock is a standard way companies can raise capital funds without incurring additional debt. Staff finds that the proposal is for lawful purposes and raises no concerns.

Staff believes the proposed transaction is reasonable, subject to Staff’s proposed conditions. This is a private transaction and therefore benefits from not having some additional costs typically related to stock market flotation (e.g. underwriting fees, SEC registration, etc.). Additionally, NWNW OR is already the largest minority shareholder, and this transaction only increases its ownership percentage.

To avoid unintended consequences, Staff recommends that the Commission authorization herein terminate any prior Commission authorized but unexecuted prior like transactions.

¹ [Docket No. UF 4363, Avion Application](#), p.3 (August 15, 2025); Information Requirement f.

² *Id.* at 4; Information Requirement H.

³ *Id.* at 4; Information Requirement I.3 .

⁴ *Id.* at 5; Information Requirement L.

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Conclusion

After review of Avion's Application, Staff finds that Avion's proposal to issue additional shares of common stock is reasonable and recommends that the Application be approved.

The Company has reviewed a draft of this memo and noted no concerns.

PROPOSED COMMISSION MOTION:

Approve Avion's request to issue additional shares of common stock to NWNW OR and Jordan Wick, subject to Staff's recommended Conditions.

CA15 - Avion UF 4363 Stock Issuance

Shares Subject to Filing

NW Natural Water of Oregon, LLC	
Jordan Wick	
Total Shares Issued	

Price per Share	
Total New Capital Raised	

Allocations After Proposed Transaction

Total Issued Shares	
Total Authorized Shares	1,000,000
Total Outstanding/Unissued Shares	