

BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA

Joint Application of Utilities, Inc. ("UP"), Hydro Star)
LLC, and Corix Utilities (Illinois) LLC for approval of)
the transfer of indirect control of UI, Utilities, Inc. of)
Nevada, Utilities, Inc. of Central Nevada, Spring Creek)
Utilities Co., and Sky Ranch Water Service Corp.)
_____)

Docket No. 12-04017

At a general session of the Public Utilities
Commission of Nevada, held at its offices
on August 29, 2012.

PRESENT: Chairman Alaina Burtenshaw
Commissioner Rebecca D. Wagner
Commissioner David Noble
Assistant Commission Secretary Breanne Potter

ORDER

The Public Utilities Commission of Nevada ("Commission") makes the following
findings of fact and conclusions of law:

I. INTRODUCTION

Utilities, Inc. ("UP"), Hydro Star LLC ("Hydro Star"), and Corix Utilities (Illinois) LLC ("Corix") (collectively, the "Joint Applicants") filed a Joint Application for approval of the transfer of indirect control of UI, Utilities, Inc. of Nevada ("UIN"), Utilities, Inc. of Central Nevada ("UICN"), Spring Creek Utilities Co. ("SCUC"), and Sky Ranch Water Service Corp. ("Sky Ranch") (UIN and collectively with UICN, SCUC and Sky Ranch, the "Nevada Utilities"). The filing was designated as Docket No. 12-04017.

II. SUMMARY

The Commission approves the Stipulation, attached hereto as Attachment 1, and grants the Joint Application as modified by the Stipulation.

III. PROCEDURAL HISTORY

- On April 16, 2012, the Joint Applicants filed a Joint Application for approval of the transfer of indirect control of UI and the Nevada Utilities. The filing was designated as Docket No. 12-04017.
- The Joint Application was filed pursuant to the Nevada Revised Statutes ("NRS") and the Nevada Administrative Code ("NAC") Chapters 703 and 704, including but not limited to NRS

DOCUMENT REVIEW AND APPROVAL ROUTING	
DRAFTED BY: SAC	
FINAL DRAFT ON: 8/31/12 AT 1:05 P.M.	
REVIEWED & APPROVED BY:	DATE:
<input type="checkbox"/> ADMIN/ASST. ()	1/1
<input checked="" type="checkbox"/> COMM/COUNSEL ()	8/31/12
<input type="checkbox"/> SECRETARY/ASST. SEC.	1/1
<input type="checkbox"/> OTHER ()	1/1

703.190 and NAC 703.527 through 703.5282.

- On April 25, 2012, the Joint Applicants filed an amendment to the Joint Application.
- On May 4, 2012, the Commission issued a Notice of Joint Application for Approval of a Transfer of Control of Water and Sewer Utilities.
- The Regulatory Operations Staff (“Staff”) of the Commission participates as a matter of right, pursuant to NRS 703.301.
- On June 25, 2012, the Commission issued a Notice of Prehearing Conference.
- On June 29, 2012, the Joint Applicants filed a second amendment to the Joint Application.
- On July 20, 2012, the Commission held a Prehearing Conference. Appearances were made by the Joint Applicants and Staff (collectively, the “Parties”), and a procedural schedule was discussed.
- On July 30, 2012, the Presiding Officer issued a Procedural Order adopting a procedural schedule.
- On July 30, 2012, the Commission issued a Notice of Hearing.
- On August 2, 2012, the Parties filed a Stipulation.
- On August 16, 2012, the Parties filed a revised Stipulation.

IV. STIPULATION

Parties’ Position

1. In the Stipulation, the Parties agree that the Joint Application for the transfer of indirect control of UI and the Nevada Utilities (the “Transaction”) should be approved as modified by the Stipulation. (Stipulation at 2.)

2. The Parties agree that Corix will not seek recovery of any premium it paid for the stock of Hydro Star; use “push down” accounting; or assess or charge any of the Nevada Utilities for any cost incurred by Corix in connection with the Transaction. (*Id.*) Accordingly, the Transaction will not impact the rates of the Nevada Utilities, and the assets of the Nevada Utilities will not be encumbered to finance any portion of the Transaction. (*Id.*)

3. In order to ensure the Transaction is transparent to customers, UI and Corix agree to participate in four formal or informal consumer sessions with the Nevada Utilities to allow customers to provide feedback concerning the Nevada operations. (*Id.* at 3.)

4. The Parties agree that the Transaction does not modify the Nevada Utilities' certificates of public convenience and necessity, nor does it modify any current legal obligation of the Nevada Utilities pursuant to the Nevada statutes, regulations, or the Commission's orders. (*Id.*)

Commission Discussion and Findings

5. The Commission finds that the Stipulation is a consensus resolution of the issues pursuant to the Parties' negotiations and is a reasonable recommendation and resolution of the issues in this proceeding. Therefore, the Commission finds that it is in the public interest to approve the Stipulation.

6. All arguments of the parties raised in these proceedings not expressly addressed herein have been considered and either rejected or found to be non-essential for further discussion in this Order.

THEREFORE, it is ORDERED that:

1. The Stipulation filed by Utilities, Inc. ("UI"), Hydro Star LLC, and Corix Utilities (Illinois) LLC and the Regulatory Operations Staff, attached hereto as Attachment 1, is **APPROVED.**

2. The Joint Application of Utilities, Inc. ("UI"), Hydro Star LLC, and Corix Utilities (Illinois) LLC for approval of the transfer of indirect control of Utilities, Inc., Utilities, Inc. of Nevada, Utilities, Inc. of Central Nevada, Spring Creek Utilities Co., and Sky Ranch Water Service Corp. is **GRANTED AS MODIFIED** by the Stipulation.

3. The Commission's approval of the Stipulation does not constitute precedent regarding any legal or factual issue.

Compliances

4. Within three (3) business days following the date on which the transfer of indirect control of Utilities Inc.; Utilities, Inc. of Nevada; Utilities, Inc. of Central Nevada; Spring Creek Utilities Co.; and Sky Ranch Water Service Corp occurs, Utilities, Inc. ("UP"), Hydro Star LLC, and Corix Utilities (Illinois) LLC shall file a letter with the Commission notifying the Commission that the transfer took place.

Directives

5. Within twelve (12) months following the date of issuance of this Order, Utilities, Inc. ("UP") and Corix Utilities (Illinois) LLC shall participate in four (4) formal or informal consumer sessions with the Nevada Utilities to allow customers to provide information concerning the Nevada operations.

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6. The Commission may correct errors that have occurred in the drafting or issuance of this Order.

By the Commission,

Alaina Burtenshaw

ALAINA BURTENSHAW, Chairman and Presiding Officer

Rebecca D. Wagner

REBECCA D. WAGNER, Commissioner

D. J. Noble

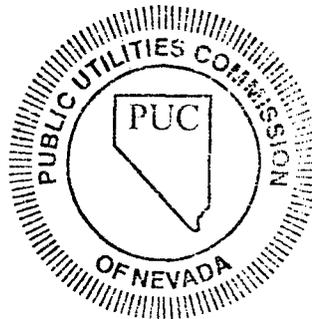
DAVID NOBLE, Commissioner

Attest: *Breanne Potter*
BREANNE POTTER,
Assistant Commission Secretary

Dated: Carson City, Nevada

9-6-12

(SEAL)



ATTACHMENT 1

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JOHN D. TENNERT
MARLA J. DAVEE
STEVEN C. ANDERSON
RYAN A. ANDERSEN
KATHERINE L. HOFFMAN
VAR LORDAHL, JR.
PHILLIP C. THOMPSON
AMY L. BAKER
JORDAN A. DAVIS

SAMUEL S. LIONEL
GRANT SAWYER
(1918-1986)

JON R. COLLINS
(1923-1987)

RICHARD H. BRYAN
JEFFREY P. ZUCKER
PAUL R. HELJMANOWSKI
ROBERT D. FAISS
A. WILLIAM MAUPIN
DAVID N. FREDERICK
RODNEY M. JEAN
TODD TOUTON
LYNDA S. MABRY
MARK H. GOLDSTEIN
KIRBY J. SMITH
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FRED D. "PEYE" GIBSON, III
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CRAIG E. ETEM
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JOHN M. NAYLOR
WILLIAM J. McKEAN
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MATTHEW R. POLICASTRO
CHRISTOPHER MATHEWS

August 16, 2012

OF COUNSEL
RICHARD J. MORGAN
ELLEN WHITTEMORE

*ADMITTED IN CA ONLY

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Electronic Filing

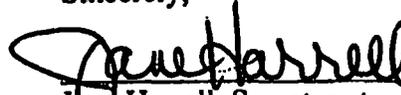
Breanne Potter, Assistant Commission Secretary
PUBLIC UTILITIES COMMISSION OF NEVADA
1150 East William Street
Carson City, Nevada 89701

Re: Joint Application of Utilities, Inc. ("UI"), Hydro Star LLC, and Corix Utilities (Illinois) LLC for approval of the transfer of indirect control of UI, Utilities, Inc. of Nevada, Utilities, Inc. of Central Nevada, Spring Creek Utilities Co., and Sky Ranch Water Service Corp – Docket No. 12-04017; Stipulation

Dear Breanne:

Please accept for filing with the Public Utilities Commission of Nevada the attached Stipulation signed by the parties in Docket No. 12-04017. Should you have any questions, or require additional information, please advise.

Sincerely,


Jane Harrell, Secretary to
William J. McKean, Esq.

WJM:jah

cc: Cheryl Hachman (via email only)
Staff Support (via email and U.S. Mail)
Shelly Cassity (via email only)

1 **BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA**

2 Joint Application of Utilities, Inc. ("UI"), Hydro)
3 Star LLC, and Corix Utilities (Illinois) LLC for) Docket No. 12-04017
4 approval of the transfer of indirect control of UI,)
5 Utilities, Inc. of Nevada, Utilities, Inc. of)
6 Central Nevada, Spring Creek Utilities Co., and)
7 Sky Ranch Water Service Corp.)

8 **STIPULATION**

9 Pursuant to the provisions of Nevada Administrative Code ("NAC") 703.845 of the
10 Rules of Practice and Procedure before the Public Utilities Commission of Nevada
11 ("Commission"), this Stipulation is made and entered into by and between Utilities, Inc.
12 ("UI"), Hydro Star LLC ("Hydro Star"), and Corix Utilities (Illinois) LLC ("Corix," and
13 collectively with UI and Hydro Star, referred to as the "Joint Applicants"), and the
14 Commission's Regulatory Operations Staff ("Staff," and together with the Joint Applicants
15 referred to herein as the "Parties"). The Parties, by and through their undersigned
16 representatives, submit this Stipulation for the Commission's review and approval.

17 WHEREAS, on April 17, 2012, the Joint Applicants filed an application (the "Joint
18 Application") for approval of the transfer of indirect control of Utilities, Inc. of Central Nevada
19 ("UICN"), Utilities, Inc. of Nevada ("UIN"), Spring Creek Utilities Company ("Spring
20 Creek"), and Sky Ranch Water Service Corp. ("Sky Ranch," and collectively with UICN, UIN
21 and Spring Creek, the "Nevada Utilities");

22 WHEREAS, the transfer of indirect control of the Nevada Utilities as set forth in the
23 Joint Application (the "Transaction") does not modify the Nevada Utilities' certificates of
24 public convenience and necessity, nor does it modify any current legal obligation of the
25 Nevada Utilities pursuant to the Nevada statutes, the NAC, or the Commission's orders;

26 WHEREAS, the Joint Application was designated by the Commission as Docket No.
27 12-04017;

28 WHEREAS, on May 20, 2012, the Public Utilities Commission of Nevada (the
"Commission") noticed the Joint Application in compliance with Nevada law (the "Notice");

1 water pressure and water quality;¹ and (b) an investigation regarding UICN's water and sewer
2 service, standards, and procedures.²

3 4. In order that the Transaction be transparent to customers, UI and Corix will
4 participate in four (4) formal or informal consumer sessions with the Nevada Utilities to allow
5 customers to provide information concerning the Nevada operations within approximately 12
6 months (365 days) after the issuance of the Commission's order approving this Stipulation and
7 granting the Joint Application date that the Transaction closes. UI and Corix can satisfy this
8 requirement either through a formal consumer session scheduled in connection with another
9 Commission proceeding (e.g., a rate case, resource plan or investigation docket), or through an
10 informal consumer session that is scheduled in cooperation with Staff. UI and Corix will
11 advise the Commission of the date the Transaction closes by filing a letter so notifying the
12 Commission within three (3) business days after the closing of the Transaction.

13 5. The Parties agree that the transfer of indirect control of the Nevada Utilities as
14 set forth in the Joint Application does not modify the Nevada Utilities' certificates of public
15 convenience and necessity, nor does it modify any current legal obligation of the Nevada
16 Utilities pursuant to the Nevada statutes, the NAC, or the Commission's orders.

17 6. The Parties shall advocate that the Commission adopt this Stipulation.

18 7. This Stipulation is made upon the express understanding that it constitutes a
19 negotiated settlement. It is not severable. In the event this Stipulation is not approved by the
20 Commission without changes, it shall be deemed withdrawn without prejudice to any claims or
21 contentions which may have been made by any Party, and it shall not be admissible as
22 evidence or in any way described or discussed in any proceeding hereafter.

23 8. This Stipulation represents a compromise of the Parties. The provisions of this
24 Stipulation shall not be construed as or deemed to be a precedent by any party or the
25 Commission with respect to any issue, principle, or interpretation or application of law and/or
26

27 ¹ Docket No. 10-03032, Compliance Order Issued October 19, 2010, Ordering Paragraph 2,
28 Attachment 1, p. 4, paragraph 5 (D).

² Docket No. 11-07009, Notice of Investigation and Workshop Issued August 17, 2011.

1 regulation, for any purpose or in connection with any proceeding before a court of law, or any
2 state or federal government regulatory body.

3 9. This Stipulation may be executed in counterparts and transmitted via facsimile
4 or other electronic methods.

5
6 **REGULATORY OPERATIONS STAFF**

7 By: *Tammy Cordova*
8 *Cheryl Hachman*
9 Tammy Cordova
Cheryl Hachman

Dated: *Aug 16, 2012*

10
11 **UTILITIES, INC., HYDRO STAR LLC, &
12 CORIX UTILITIES (ILLINOIS) LLC**

13 By: *William J. McKean*
14 *Laura K. Granier*
15 LIONEL SAWYER & COLLINS
William J. McKean
Laura K. Granier

Dated: *Aug. 16, 2012*

CERTIFICATE OF SERVICE

I hereby certify that I am an employee of Lionel Sawyer & Collins and on August 16, 2012, I caused to be served a true and correct copy of the foregoing Stipulation to the following parties via the methods noted below:

Staff Counsel Support
Public Utilities Commission of Nevada
1150 E. William Street
Carson City, Nevada 89701-3109
pucn.sc@puc.nv.gov

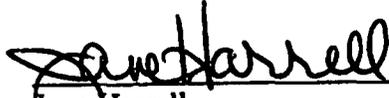
**VIA U.S. MAIL
AND EMAIL**

Tamara Cordova, Staff Counsel
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9075 West Diablo Drive, Suite 250
Las Vegas, Nevada 89109

VIA U.S. MAIL

Cheryl Hachman
chachman@puc.nv.gov

VIA EMAIL



Jane Harrell