



Q5. In response to Item 11(a) of the First Data Request of Commission Staff in Case No. 2005-00323, Applicants provided a list of all regulatory and governmental approvals required for Hydro Star's acquisition of Nuon USA's stock. For each jurisdiction listed below provide: (1) a copy of the application, (2) the date an application for such approval will be or has been submitted, (3) the expected date of approval, and (4) a copy of the regulatory and governmental approvals when they are issued.

- a. Florida Public Service Commission.
- b. Sarasota County, Florida.
- c. Illinois Commerce Commission.
- d. North Carolina Utilities Commission.
- e. Pennsylvania Public Utilities Commission.
- f. Virginia State Corporation Commission.
- g. Nevada Public Utilities Commission.
- h. New Jersey Board of Public Utilities.

**RESPONSE:**

**a. Florida Public Service Commission**

A copy of the Application is attached as Exhibit 5-1 (**Tab 1**).

Date Filed: July 25, 2005.

Expected date of approval: January, 2006.

**b. Sarasota County, Florida**

A copy of the Application and the approval are attached as Exhibit 5-2 (**Tab 2**).

Date Filed: July 21, 2005.

Date approved: December 6, 2005.

**c. Illinois Commerce Commission**

A copy of the Application is attached as Exhibit 5-3 (**Tab 3**).

Date Filed: August 17, 2005

Expected date of approval: Late December, 2005/Early January, 2006.

**d. North Carolina Utilities Commission**

A copy of the Application is attached as Exhibit 5-4 (**Tab 4**).

Date Filed: August 18, 2005

Expected date of approval: February/March, 2006.

**e. Pennsylvania Public Utilities Commission**

A copy of the Application is attached as Exhibit 5-5 (**Tab 5**).

Date Filed: August 17, 2005

Expected date of Approval: January, 2006

**f. Virginia State Corporation Commission**

A copy of the Application is attached as Exhibit 5-6 (**Tab 6**).

Date filed: August 29, 2005

Date approved: December 2, 2005. See attached Exhibit 5-7 (**Tab 7**).

**g. Nevada Public Utilities Commission**

A copy of the Application is attached as Exhibit 5-8 (**Tab 8**).

Date Filed: October 21, 2005

Expected date of approval: March, 2006

**h. New Jersey Board of Public Utilities**

A copy of the Application is attached as Exhibit 5-9 (**Tab 9**).

Date Filed: September 16, 2005

Expected date of approval: January, 2006

In addition, the Joint Applicants have sought and obtained approval in three (3) other states. These states are:

**i. Louisiana Public Service Commission**

A copy of the letter to the Commission is attached as Exhibit 5-10 (Tab 10).

Date Filed: July 19, 2005

Date approved: August 24, 2005. See attached Exhibit 5-11 (Tab 11).

**j. Mississippi Public Service Commission**

A copy of the Application is attached as Exhibit 5-12 (Tab 12).

Date Filed: July 6, 2005

Date approved: September 12, 2005. See attached Exhibit 5-13 (Tab 13).

**k. Tennessee Regulatory Authority**

A copy of the Application is attached as Exhibit 5-14 (Tab 14).

Date Filed: July 11, 2005

Date approved: September 12, 2005. See attached Exhibit 5-15 (Tab 15).

**The Joint Applicants will continue to supplement this response by providing a copy of each approval from the regulatory authorities as they are obtained.**

**WITNESS:** Steven M. Lubertozi



BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Application of **UTILITIES  
INC.** for authority for transfer of  
majority organizational  
control to **HYDRO STAR, LLC**

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Docket No. 050499-WS

**APPLICATION FOR AUTHORITY FOR TRANSFER  
OF MAJORITY ORGANIZATIONAL CONTROL**

UTILITIES, INC. (*Applicant*), by and through its undersigned attorneys, files this  
Application for authority for transfer of majority organizational control and states:

1. The name and address of the Applicant is:

Utilities, Inc.  
2335 Sanders Road  
Northbrook, IL 60062-6196

2. The name, address and telephone number of the persons to contact concerning  
this Application is:

Martin S. Friedman, Esquire  
Valerie L. Lord, Esquire  
Rose, Sundstrom & Bentley, LLP  
600 S. North Lake Blvd., Ste. 160  
Altamonte Springs, FL 32701

Telephone: (407) 830-6331  
Facsimile: (407) 830-8522

[mfriedman@rsbattorneys.com](mailto:mfriedman@rsbattorneys.com)  
[vlord@rsbattorneys.com](mailto:vlord@rsbattorneys.com)

DOCUMENT NUMBER-DATE

07098 JUL 25 18

3. The Applicant is an Illinois corporation which owns 100% of the issued and outstanding shares of stock in the entities listed on Exhibit "A" (*Regulated Entities*). Each of the Regulated Entities is a Florida corporation which conducts water and/or wastewater utility operations in the State of Florida. Most of the Regulated Entities are regulated by the Florida Public Service Commission. Exhibit "A" states the name of each Regulated Entity, its Certificate Number(s) and the county in which it conducts its operations.

4. On May 14, 2005, Nuon Global Solutions USA, BV, a private limited liability company formed under the laws of the Netherlands (*Seller*), and Hydro Star, LLC, a Delaware limited liability company (*Buyer*), entered into an agreement which provides, among other matters, that the Buyer will purchase all of the issued and outstanding shares of Nuon Global Solutions, USA, Inc., a Delaware corporation, which is the owner of all of the issued and outstanding shares of stock of the Applicant (*Agreement*). The Agreement specifically provides that it is subject to Commission approval. Closing of the sale is anticipated to occur early in 2006, after all regulatory approvals have been obtained.

5. The Applicant provides the following in response to Rule 25-30.037(3):

(a) The complete name and address of the Seller is:

Nuon Global Solutions USA, B.V.  
P.O. Box 41920  
1009 DC Amsterdam  
The Netherlands

(b) The complete name and address of the Buyer is:

Hydro Star, LLC  
2929 Allen Parkway  
Houston, Texas 77019

(c) The names and addresses of all of the Buyer's managers and members are provided on Exhibit "B".

(d) The Buyer does not own any water or wastewater utilities.

(e) The purchase will be financed by cash from the Buyer. The Buyer has on hand and available the financial resources necessary to meet its commitments under the Agreement.

(f) The transfer is in the public interest. Due to the decline in the value of the U.S. dollar against the Euro and its decision to concentrate its energy business in Belgium, Germany and the Netherlands, the Seller is seeking to divest all U.S. assets. AIG Highstar Capital II, LLP (*Highstar II*), which comprises the owner of the Buyer, and certain of its affiliates, are seeking to make substantial investments in water and wastewater assets as a complement to their existing U.S. energy asset portfolio. The acquisition by the Buyer of the shares of stock in Nuon Global Solutions USA, Inc., will not result in any change in management of the Applicant or any of the Regulated Entities, and the expertise of existing management will remain in place. The Buyer and Highstar II have access to extensive resources to fund the operations of the Regulated Entities. AIG Global Investment Group (*AIG GIG*), Highstar's sponsor, is one of the largest asset management firms in the world with over \$492 billion in assets under management, 40 investment offices worldwide and more than 1,500 employees. Furthermore, American International Group, Inc. (*AIG*), the indirect parent of AIG GIG, is one the



world's leading international financial and insurance services organizations. The common stock of AIG is publicly traded in the United States on the New York Stock Exchange and ArcaEx, as well as the stock exchanges in London, Paris, Switzerland and Tokyo. Attached as Exhibit "C" is a copy of Highstar II's most recent financial statement. By combining the Applicant's management approach and regulatory and operational expertise with the financial resources and support of the Buyer, the Applicant will continue to have the ability to provide consistent and uninterrupted service to its customers.

The proposed transaction does not contemplate any change in the direct ownership or control of the Regulated Entities. The Regulated Entities will continue to be subsidiaries of the Applicant, which has a long history of providing quality water and wastewater services at just and reasonable rates. The Applicant has a seasoned management team with many years of experience in the water and wastewater industry. Its customer services staff and the local operating staff are also well experienced in their areas of operations. There are no plans to change either the management team or the customer services or local area staffs as a result of the proposed transaction. The Regulated Entities will continue to be managed and operated by the same officers and personnel that currently run their operations. The Regulated Entities will continue to receive the same support from the Applicant after the closing of the proposed transaction as they do today.

The proposed transaction does not affect the Commission's powers with respect to the rates and services of the Regulated Entities or the authority of other governmental agencies as to the Regulated Entities' services or facilities. Thus, the proposed transaction will not have any adverse effect upon the Regulated Entities or their services.

(g) Highstar II and affiliates of Highstar II will provide funding in the form of inter-company loans to the Buyer on an "as needed" basis. The Buyer will have sufficient cash reserves to provide funding for the operations of the Applicant's subsidiaries, and it is not anticipated that the Buyer's resources will change in the near future. Copies of the consolidated financial statements of Highstar II is attached as Exhibit "C".

(h) After reasonable investigation, the Buyer has determined that the utility systems operated by the Regulated Entities appear to be in satisfactory condition and in substantial compliance with all applicable standards set by the Florida Department of Environmental Protection (*DEP*), with the exception of the Alafaya system, where the relevant Regulated Entity has entered into a compliance plan and a Consent Order with the DEP, and the Summertree, Clermont II, Pebble Creek and Wedgefield systems, where the relevant Regulated Entities have either received, or expect to receive, Notices of Violation from the DEP. In the latter category, the relevant Regulated Entities are working with the DEP to formulate compliance plans.

(i) This Application does not involve a transfer of the facilities or the land

owned or occupied by any of the subsidiaries of the Applicant. The subsidiaries of the Applicant will continue to own or lease the land on which their utility treatment facilities are located.

(j) Because the transfer affects the ownership of the shares of stock of Nuon Global Solutions USA, Inc., the parent of the Applicant, and only indirectly the ownership of the Applicant, there will not be any change in the tariff sheets for the Regulated Entities.

(k) Because the transfer affects the ownership of the shares of stock in Nuon Global Solutions USA, Inc., the parent of the Applicant, and only indirectly the ownership of the Applicant, there will not be any change in the Certificates of the Regulated Entities.

6. The Buyer will fulfill the commitments, obligations and representations of the Applicant with regard to utility matters.

7. An Affidavit that the actual notice of the Application was given to the entities on the list provided by the Commission in accordance with Section 367.045(1)(a), Florida Statutes, and Rule 25-30.030(5), Florida Administrative Code, will be filed as Late Filed Exhibit "D".

8. An Affidavit that actual notice of the Application was given to each customer in accordance with Section 367.045(1)(a), Florida Statutes, and Rule 25-30.030(6), Florida Administrative Code, will be filed as Late Filed Exhibit "E".

9. An Affidavit that the notice of the Application was published once in a newspaper of general circulation in the applicable territories in accordance with Rule 25-

30.030(7), Florida Administrative Code, will be filed as Late Filed Exhibit "F".

10. Pursuant to Rule 25-30.020(2)(c), Florida Administrative Code, the appropriate filing fee is \$6,000 and is attached hereto.

Respectfully submitted on this  
25<sup>th</sup> day of July, 2005, by:

ROSE, SUNDSTROM & BENTLEY, LLP  
600 S. North Lake Blvd., Ste. 160  
Altamonte Springs, Florida 32701  
Telephone: (407) 830-6331  
Facsimile: (407) 830-8522

By: 

---

MARTIN S. FRIEDMAN  
VALERIE L. LORD

**AFFIDAVIT**

STATE OF ILLINOIS

COUNTY OF COOK

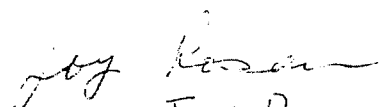
I, LAWRENCE N. SCHUMACHER, do solemnly swear or affirm that the facts stated in the foregoing application and all exhibits attached thereto are true and correct and that said statements of fact thereto constitute a complete statement of the matter to which it relates.

FURTHER AFFIANT SAYETH NAUGHT.

Dated July 21, 2005.

  
LAWRENCE N. SCHUMACHER  
President

Sworn to and subscribed before me this 21<sup>st</sup> day of June, 2005, by LAWRENCE N. SCHUMACHER, who is personally known to me.

  
Print Name: Joy Rosen  
NOTARY PUBLIC  
My Commission Expires: 6/30/07



**EXHIBIT "A"**

**Utilities, Inc.  
List of Subsidiaries - 100% wholly-owned**

Subsidiary Name	County of Operations	Certificate No.
Alafaya Utilities, Inc.	Seminole	379-S
Bayside Utility Services, Inc.	Bay	None
Cypress Lakes Utilities, Inc.	Polk	509-S; 592-W
Eastlake Water Service, Inc.	Hillsborough	None
Labrador Utilities, Inc.	Pasco	530-S; 616-W
Lake Placid Utilities, Inc.	Highlands	414-W; 347-S
Lake Utility Services, Inc.	Lake	465-S; 496-W
Mid-County Services, Inc.	Pinellas	081-S
Miles Grant Water and Sewer Company	Martin	352-W; 308-S
Pebble Creek Utilities, Inc.	Hillsborough	None
Sandy Creek Utility Services, Inc.	Bay	None
Sanlando Utilities, Inc.	Seminole	189-S; 247-W
South Gate Utilities, Inc.	Sarasota	None
Tierra Verde Utilities, Inc.	Pinellas	058-S
Utilities, Inc. of Eagle Ridge	Lee	369-S
Utilities, Inc. of Florida	Seminole	278-W; 225-S
	Pasco	229-S; 107-W
	Marion	305-S; 410-W
	Pinellas	204-W
	Orange	040-W
Utilities, Inc. of Hutchinson Island	Martin	291-S; 336-W
Utilities, Inc. of Longwood	Seminole	232-S
Utilities, Inc. of Pennbrooke	Lake	400-S; 466-W
Utilities, Inc. of Sandalhaven	Charlotte	495-S
Wedgfield Utilities, Inc.	Orange	341-S; 404-W

**EXHIBIT "B"**

**Managers and Members of Buyer**

**Member:**

The sole member of the Buyer is AIG Highstar Capital II, LLP.  
599 Lexington Avenue  
25<sup>th</sup> Floor  
New York, NY 10022

There are no other members at this time.

**Officers/Directors:**

Christopher Lee - Chief Executive Officer/Director  
Managing Director, AIG Highstar II GP, L.P.  
599 Lexington Avenue  
25<sup>th</sup> Floor  
New York, NY 10022

**John Stokes** – President/Director  
Managing Director, AIG Highstar II GP, L.P.  
2929 Allen Parkway  
Houston, TX 77019

**Marc Baliotti** - Executive Vice President, and Treasurer  
Principal, AIG Highstar II GP, L.P.  
599 Lexington Avenue  
25<sup>th</sup> Floor  
New York, NY 10022

**Scott Litman** - Secretary  
General Counsel for AIG Highstar II GP, L.P.  
599 Lexington Avenue  
25<sup>th</sup> Floor  
New York, NY 10022

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**ROSE, SUNDBSTROM & BENTLEY, LLP**  
2548 BLAIRSTONE PINES DRIVE  
TALLAHASSEE, FLORIDA 32301

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DAREN L. SHIPPY  
WILLIAM E. SUNDBSTROM, P.A.  
DIANE D. TREMOR, P.A.  
JOHN L. WHARTON  
ROBERT M. C. ROSE, *OF COUNSEL*  
WAYNE L. SCHIEFELBEIN, *OF COUNSEL*

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[www.rsbatorneys.com](http://www.rsbatorneys.com)

REPLY TO ALTAMONTE SPRINGS

July 21, 2005

VIA FEDERAL EXPRESS

CENTRAL FLORIDA OFFICE  
600 S. NORTH LAKE BLVD., SUITE 160  
ALTAMONTE SPRINGS, FLORIDA 32701-6177  
(407) 830-6331  
FAX (407) 830-8522

MARTIN S. FRIEDMAN, P.A.  
VALERIE L. LORD

Ms. Kathy Columbo  
Franchise Utility Coordinator  
Air & Water Quality  
2817 Cattleman Road  
Sarasota, FL 34232

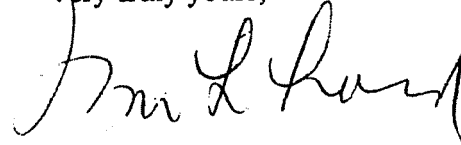
RE: Application for Transfer of Majority Organizational Control of Southgate Utilities, Inc.  
Our File No.: 30057.101

Dear Ms. Columbo:

Enclosed for filing and consideration by the Sarasota County Board of Commissioners are the original and fifteen (15) copies of the above-referenced Application. Please advise me of the Board's schedule for consideration of this Application.

Should you have any questions concerning this matter, please do not hesitate to contact me.

Very truly yours,



MARTIN S. FRIEDMAN  
For the Firm

VLL/mp  
Enclosures

cc: Mr. Steve Lubertozi (w/enclosure)  
Robert Brannan, Esquire (w/enclosure)



BEFORE THE BOARD OF COUNTY COMMISSIONERS  
OF SARASOTA COUNTY, FLORIDA

IN RE: Application for transfer of  
majority organizational control  
of **SOUTHGATE UTILITIES, INC.**

Docket No. \_\_\_\_\_

**APPLICATION FOR TRANSFER OF MAJORITY  
ORGANIZATIONAL CONTROL**

SOUTHGATE UTILITIES, INC. (*Southgate*), by and through its undersigned attorneys and pursuant to Section 126-119 of the Sarasota County Code (*Code*) files this Application to the Board of County Commissioners of Sarasota County, Florida (*Board*) for authority to transfer the majority organizational control of the sole shareholder of its parent corporation, Nuon Global Solutions USA, Inc., and in support thereof states:

**Preliminary Statement**

Southgate is a wholly owned subsidiary of Utilities, Inc., a utility holding company based in Northbrook, Illinois. Utilities, Inc., a Delaware corporation, is a wholly owned subsidiary of Nuon Global Solutions USA, Inc., a Delaware corporation, which, in turn, is wholly-owned by Nuon Global Solutions USA B.V., a private limited liability company formed under the laws of the Netherlands (*Nuon*).

On May 14, 2005, Nuon and Hydro Star, LLC, a Delaware limited liability company (*Buyer*), entered into an agreement which provides, among other matters, that the Buyer will purchase all of the issued and outstanding shares of Nuon Global Solutions, USA, Inc. (*Agreement*). The current management and operational personnel of Utilities, Inc. and Southgate will remain in place. Thus, customers will not notice any change as a result of

this transfer of control of the parent corporation of the parent corporation of Utilities, Inc., the parent corporation of Southgate.

The Agreement specifically provides that it is subject to applicable regulatory approval. Closing of the sale is anticipated to occur early in 2006, after all regulatory approvals have been obtained.

1. The name and contact information of the persons authorized to receive notices and communication regarding this Application are:

Martin S. Friedman, Esquire  
Valerie L. Lord, Esquire  
Rose, Sundstrom & Bentley, LLP  
600 S. North Lake Blvd., Ste. 160  
Altamonte Springs, FL 32701-6177  
Telephone: (407) 830-6331  
Facsimile: (407) 830-8522  
[mfriedman@rsbattorneys.com](mailto:mfriedman@rsbattorneys.com)  
[vlord@rsbattorneys.com](mailto:vlord@rsbattorneys.com)

2. Pursuant to Section 126-119(1) of the Code, Southgate provides the following information:

(a) The complete name and address of the Seller (transferor) is:

Nuon Global Solutions USA, B.V.  
P.O. Box 41920  
1009 DC Amsterdam  
The Netherlands

(b) The complete name and address of the Buyer(transferee) is:

Hydro Star, LLC  
2929 Allen Parkway  
Houston, Texas 77019

(c) The Buyer is a Delaware limited liability company.

(d) The names and addresses of the members and managers of the Buyer are as set out on Exhibit "A".

(e) The most recent audited financial statements of the sole member of the Buyer, together with an inventory of capital assets are attached as Exhibit "B".

(f) The Buyer was incorporated on May 13, 2005. A certified copy of its corporate charter is attached as Exhibit "C".

(g) After the closing of the transactions contemplated by the Agreement, the Buyer will own all of the shares of the stock of Nuon Global Solutions USA, Inc., which is the owner of 100% of all of the shares of the stock of Utilities, Inc. Utilities, Inc. is the owner of all of the stock of over 80 water and wastewater utilities, including Southgate, located in 17 states. The Buyer will not directly own any other public utilities. However, the holder of all of the shares of stock of the Buyer, AIG Highstar Capital II, L.P. (*Highstar II*), and certain of its affiliates, own energy assets in the United States.

(h) The transfer is anticipated to close in early 2006, when all regulatory approvals have been obtained.

(i) The name and address of the sole member of the Buyer is:

AIG Highstar Capital II, L.P.  
599 Lexington Avenue, 25<sup>th</sup> Floor  
New York, NY 10022

(j) A copy of the Agreement will be provided to the Board, subject to such confidentiality restrictions as may be agreed by the Board. Because the transfer is at the grandparent company level, the Agreement does not address the provisions of

Section 126-119(1)(j) 1-9 of the Sarasota County Code.

(k) The transfer will be financed by cash from the Buyer.

(l) The transfer is in the public interest. Due to the decline in the value of the U.S. dollar against the Euro and its decision to concentrate its energy business in Belgium, Germany and the Netherlands, Nuon is seeking to divest all U.S. assets. Highstar II, the Buyer's parent corporation, is a private equity fund sponsored by AIG Global Investment Group (**AIG GIG**), which is, in turn, an indirect subsidiary of American International Group, Inc. (**AIG**). Highstar II and its affiliates are seeking to make substantial investments in water and wastewater assets as a complement to its existing U.S. energy asset portfolio. The acquisition by the Buyer of the shares of stock in Nuon Global Solutions USA, Inc., will not result in any change in management of Utilities, Inc. or Southgate, and the expertise of existing management will remain in place. The Buyer and Highstar II have access to extensive resources to fund the operations of Southgate. AIG GIG, Highstar II's sponsor, is one of the largest asset management firms in the world with over \$492 billion in assets under management, 40 investment offices worldwide and more than 1,500 employees. AIG, the indirect parent of AIG GIG, is one the world's leading international financial and insurance services organizations. The common stock of AIG is publicly traded in the United States on the New York Stock Exchange and ArcaEx, as well as the stock exchanges in London, Paris, Switzerland and Tokyo. Attached as Exhibit "B" is a copy of Highstar II's most recent financial statement. By combining Utilities, Inc.'s and Southgate's management approach and regulatory and operational

expertise with the financial resources and support of the Buyer, Utilities, Inc. and Southgate will continue to have the ability to provide consistent, uninterrupted service to Southgate's customers.

The proposed transaction does not contemplate any change in the direct ownership or control of Southgate. Southgate will continue to be a subsidiary of Utilities, Inc., which has a long history of providing quality water and wastewater services at just and reasonable rates. Utilities, Inc. has a seasoned management team with many years of experience in the water and wastewater industry. Its customer services staff and the local operating staff are also well experienced in their areas of operations. There are no plans to change either the management team or the customer services or local area staffs as a result of the proposed transaction. Southgate will continue to be managed and operated by the same officers and personnel that currently run its operations. Southgate will continue to receive the same support from Utilities, Inc. after the closing of the proposed transaction as it does today.

The proposed transaction does not affect the Board's powers with respect to the rates and services of Southgate or the authority of other governmental agencies as to Southgate's services or facilities. Thus, the proposed transaction will not have any adverse effect upon Southgate or its services.

(m) The transfer has no effect on rate base.

(n) This transaction is a transfer of the stock of the grandparent corporation of Southgate.

(o) No acquisition adjustment is requested.

(p) There is no change in possession of the books and records necessary for the Board to carry out its regulatory responsibilities.

WHEREFORE, Southgate Utility, Inc. requests the Board of County Commissioners of Sarasota County to approve the transfer of majority organizational control of Nuon Global Solutions USA, Inc., the parent company of Utilities, Inc., which is the owner of all of the shares of the stock of Southgate, to Hydro Star, LLC.

Respectfully submitted on this  
2<sup>nd</sup> day of July 2005, by:

ROSE, SUNDSTROM & BENTLEY, LLP  
600 S. North Lake Blvd., Ste. 160  
Altamonte Springs, Florida 32701  
Telephone: (407) 830-6331  
Facsimile: (407) 830-8522

By: 

MARTIN S. FRIEDMAN  
VALERIE L. LORD

**EXHIBIT "A"**

**Managers and Members of the Buyer:**

**Member:**

The sole member of the Buyer is AIG Highstar Capital II, LLP.  
599 Lexington Avenue  
25<sup>th</sup> Floor  
New York, NY 10022

There are no other members at this time.

**Officers/Directors:**

Christopher Lee - Chief Executive Officer/Director  
Managing Director, AIG Highstar II GP, L.P.  
599 Lexington Avenue  
25<sup>th</sup> Floor  
New York, NY 10022

**John Stokes** – President/Director  
Managing Director, AIG Highstar II GP, L.P.  
2929 Allen Parkway  
Houston, TX 77019

**Marc Baliotti** - Executive Vice President, and Treasurer  
Principal, AIG Highstar II GP, L.P.  
599 Lexington Avenue  
25<sup>th</sup> Floor  
New York, NY 10022

**Scott Litman** - Secretary  
General Counsel for AIG Highstar II GP, L.P.  
599 Lexington Avenue  
25<sup>th</sup> Floor  
New York, NY 10022

RESOLUTION NO. 2005- 279

BOARD RECORDS  
FILED FOR RECORD

RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS  
OF SARASOTA COUNTY, FLORIDA

2005 DEC -6 PM 1:57

LUDEN E. ROUSHING  
CLERK OF CIRCUIT COURT  
SARASOTA COUNTY, FL

**Re: Application of South Gate Utilities, Inc.,  
a wholly owned subsidiary of Utilities, Inc.  
for Approval of the Transfer of Majority Organizational Control  
from nv Nuon to Hydro Star, LLC**

**WHEREAS**, South Gate Utilities, Inc. ("South Gate"), a wholly owned subsidiary of Utilities, Inc., is the holder of a water franchise granted by the Board of County Commissioners of Sarasota County, Florida (the "Board") to provide water to a certain region of the unincorporated area of Sarasota County for a fixed period of time; and

**WHEREAS**, on or about May 14, 2005, nv Nuon entered into an agreement providing for the transfer of 100% majority organizational control to Hydro Star, LLC, subject to Board approval; and

**WHEREAS**, pursuant to the terms of the agreement, Utilities, Inc. will retain ownership of the subsidiary utility service providers, including South Gate; and

**WHEREAS**, on July 15, 2005, pursuant to Section 126-119, Sarasota County Code, South Gate, as the franchise holder, filed an Application for Transfer of Majority Organizational Control ("Application"), seeking Board approval for the transfer of majority organizational control of Utilities, Inc., its parent company, from nv Nuon to Hydro Star ; and

**WHEREAS**, Hydro Star through its corporate relationships has the financial resources to provide for the capital and operational needs of South Gate and is committed to providing high quality service to those customers served by South Gate; and

**WHEREAS**, the Board reviewed the Application at a duly-noticed public meeting held on December 6, 2005.

**NOW THEREFORE BE IT RESOLVED** by the Board of County Commissioners of Sarasota County, Florida, in public meeting duly assembled, that:

1. The Application filed by South Gate seeking approval of the transfer of 100% organizational control from nv Nuon to Hydro Star, LLC is substantially complete and in compliance with Section 126-119, Sarasota County Code.
2. No acquisition adjustment related to the cost of the transfer from nv Nuon to Hydro Star will be considered in any rate application filed by South Gate, or its successors.



3. Hydro Star has adequately demonstrated to the satisfaction of the Board its financial ability relative to the provision of utility service to the customers of South Gate.
4. The Application for Transfer of Majority Organizational Control is hereby approved.
5. This resolution shall become effective immediately upon adoption by the Board and shall remain in effect until such time as it is repealed by subsequent resolution of the Board.

**PASSED AND DULY ADOPTED BY THE BOARD OF COUNTY COMMISSIONERS OF SARASOTA COUNTY, FLORIDA, this 6<sup>th</sup> day of December, 2005, A.D.**

**BOARD OF COUNTY COMMISSIONERS  
OF SARASOTA COUNTY, FLORIDA**

By: *Paul H. Meeker*  
Chairman

**ATTEST:**

KAREN RUSHING, Clerk of the Circuit Court  
Ex-Officio Clerk of the Board of County  
Commissioners of Sarasota County, Florida

By: *Paula J. Mentman*  
Deputy Clerk

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STATE OF FLORIDA)  
COUNTY OF SARASOTA)  
I HEREBY CERTIFY THAT THE FOREGOING IS A  
TRUE AND CORRECT COPY OF THE ORIGINAL FILES  
IN THIS OFFICE WITNESS MY HAND AND OFFICIAL

SEAL THIS DATE 12/6/05  
KAREN E. RUSHING, CLERK OF THE CIRCUIT COURT  
EX-OFFICIO CLERK TO THE BOARD OF COUNTY  
COMMISSIONERS, SARASOTA COUNTY, FLORIDA  
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STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION

Hydro Star, LLC	)	
Nuon Global Solutions USA, B.V.	)	
Utilities, Inc.	)	
Each of the 24 Illinois Operating	)	
Subsidiaries of Utilities, Inc.	)	Docket No. 05 – _____
	)	
Joint Application For Approval of	)	
Proposed Reorganization	)	

**JOINT APPLICATION FOR APPROVAL OF THE STOCK PURCHASE AGREEMENT  
BETWEEN HYDRO STAR, LLC AND NUON GLOBAL SOLUTIONS USA B.V.**

Pursuant to Sections 5/7-204 and 7-204A of the Illinois Public Utilities Act, 220 ILCS 5/1-101 et seq. (the “Act”), Hydro Star, LLC (“HS”), Nuon Global Solutions USA, B.V. (“NGS”), Utilities, Inc. (“UI”) and, and UI’s twenty-four Illinois operating subsidiaries (“UI Operating Subsidiaries”) (collectively, “Applicants”), by this Joint Application request that the Illinois Commerce Commission (“Commission”) approve the Stock Purchase Agreement between NGS and HS (“Agreement”). The Agreement will result in HS acquiring control of Nuon Global Solutions USA, Inc. (“NGSI”), the parent of UI. This Commission regulates the UI Operating Subsidiaries pursuant to its authority to regulate “public utilities” under Section 5/4-101 of the Act.

In support of the Joint Application, Applicants state as follows:

**The Parties to the Proposed Transaction**

1. HS is a limited liability company created and existing under the laws of the State of Delaware. HS is owned by AIG Highstar Capital II, L.P. (Highstar II) and certain of its affiliates. Highstar II is a limited partnership created and existing under the laws of the State of Delaware and sponsored by AIG Global Investment Group (AIGGIG). AIGGIG is an indirect subsidiary of American International Group, Inc., a Delaware corporation.

2. NGS is a limited liability company created and existing under the laws of the Netherlands. NGS is a wholly-owned subsidiary of nv Nuon (“Nuon”), a Dutch public company with limited liability.

3. UI is a corporation created and existing under the laws of the state of Illinois that owns approximately 75 water and sewer utilities operating in sixteen states. UI is a wholly-owned subsidiary of Nuon Global Solutions USA, Inc. (“NGSI”), which in turn is a wholly-owned subsidiary of NGS. UI has been involved in the water and sewer industry for over 35 years. UI currently has twenty-four operating subsidiaries in Illinois, the UI Operating Subsidiaries, which are listed in Exhibit A to this Joint Application.

#### Description of the Transaction

4. As a result of discussions between HS and NGS concerning the possible acquisition of NGSI by HS (“Transaction”), HS and NGS entered into a Stock Purchase Agreement, dated May 14, 2005. A copy of the Agreement is attached as Exhibit B to this Joint Application.

5. Pursuant to and in accordance with the terms of the Agreement, each issued and outstanding share of NGSI stock will be acquired by HS. As a result of the Transaction, the separate corporate existence of UI shall continue, and UI shall be a wholly-owned subsidiary of HS.

6. From and after the effective time of the Transaction, all rights, duties and obligations of UI existing before the Transaction will continue and UI will remain the owner of the UI Operating Subsidiaries. UI will continue to maintain its headquarters in Northbrook, Illinois and will retain its current management.

7. With respect to the UI Operating Subsidiaries, the Transaction occurs entirely “above the holding company level,” that is, none of the assets or securities of UI or any UI

Operating Subsidiary will be transferred or sold as a result of the Transaction. The Transaction will change only the ultimate owner of the stock of NGS. Thus, no certificate of public convenience and necessity will need to be issued or cancelled due to the Transaction.

8. The Transaction may be viewed as indirectly causing a change in the ultimate ownership of a majority of the capital stock of each of the twenty-four UI Operating Subsidiaries, and therefore, under Section 7-204 of the Act, constitutes a “reorganization” with respect to each UI Operating Subsidiary.

#### Impact of the Transaction

9. Subsequent to the Transaction, UI will continue to own 100% of each of the UI Operating Subsidiaries. HS’s indirect ownership of the UI Operating Subsidiaries will enhance the reliability, efficiency and safety of service provided to the customers in the UI Operating Subsidiaries’ service territories. This will be achieved primarily through access to substantially greater financial resources of HS.

10. HS, like UI, is committed to providing adequate, efficient, safe and least-cost service to its customers. UI will continue to provide seasoned management and necessary funding to the UI Operating Subsidiaries. The Transaction will therefore not adversely affect the UI Operating Subsidiaries’ ability to provide adequate, reliable, efficient, safe and least-cost public utility services.

11. The Transaction will not result in the unjustified subsidization of non-utility activities by the UI Operating Subsidiaries or their customers. At present, none of the UI Operating Subsidiaries engages in a significant level of non-utility activity, and it is not UI’s intention to change the nature of that activity. To the extent that the UI Operating Subsidiaries engage in such activities in the future, they will, consistent with their current practices and policies, maintain their books and records in such a manner as to fairly and reasonably allocate

items to utility and non-utility activities, and allow the Commission to identify those costs and facilities that are properly included for rate-making purposes.

12. The Transaction will not impair the UI Operating Subsidiaries' ability to raise necessary capital on reasonable terms or to maintain a reasonable capital structure. It is anticipated that the Transaction may in fact enhance the ability to access the capital markets on reasonable terms. While UI will continue to provide necessary capital to the UI Operating Subsidiaries, the Transaction may enhance the UI Operating Subsidiaries' ability to effectively access capital.

13. The UI Operating Subsidiaries will remain subject to all applicable laws, regulations, rules, decisions and policies governing the regulation of Illinois public utilities.

14. HS and its affiliates have no existing water and/or sewer operations in Illinois or the United States. Accordingly, although the Transaction may effect a change in the ultimate indirect ownership of the UI Operating Subsidiaries, it will have little, if any effect, on competition because no competitor will be eliminated and no concentration in the industry will occur as a result of the Transaction. There will be no change in the direct ownership of the UI Operating Subsidiaries.

15. The Transaction will not result in any adverse rate impacts on retail customers.

Transaction Costs and Savings, Acquisition Adjustment

16. Applicants do not anticipate any appreciable savings as a result of the Transaction in the near term. This is primarily due to the fact that the Transaction will not impact UI or the UI Operating Subsidiaries on an operational level. Any savings that do result from the Transaction will be passed on to rate-payers.

17. Applicants do not propose to allocate the unamortized Transaction costs to the UI Operating Subsidiaries for ratemaking purposes.

## The Water Service Corp. Agreement

18. With the Commission's approval, each of the UI Operating Subsidiaries has entered into a contract with Water Service Corp., a wholly-owned subsidiary of UI, which furnishes certain administrative, engineering, operating, accounting, customer, construction, billing and legal services for each of the UI Operating Subsidiaries. Those agreements will remain in place with respect to each UI Operating Subsidiary and will not be affected by the Transaction.

## Supporting Information, Data and Material

19. In accordance with Section 7-204A of the Act and to expedite the Commission's review of the Transaction, the Applicants submit the following data, information and material:<sup>1</sup>

- a) A list of the UI Operating Subsidiaries (Exhibit A);
- b) Copies of the Agreement and the Articles of Incorporation of UI and Articles of Organization of NGS and HS (Exhibit B);
- c) Diagrams of the combined entity's corporate structure, which include the names and corporate relationships of companies affiliated with the UI Operating Subsidiaries (Exhibit C);
- d) Applicants estimate the Costs of the Transaction to be approximately \$10,000,000;
- e) Forecasts of the capital requirements for the UI Operating Subsidiaries that currently plan to undertake capital projects (Exhibit D); and
- f) The 2004 and 2005 financial statements of Highstar II. (Exhibit E).

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<sup>1</sup> A majority of the twenty-four UI Operating Subsidiaries were subsidiaries of UI before August 15, 1989, the effective date of Section 7-204A of the Act. Accordingly, the requirements of Section 7-204A are not applicable to those UI Operating Subsidiaries that will reorganize as a result of the Transaction. Nevertheless, because the required Section 7-204A information is, generally, applicable to all of the UI Operating Subsidiaries, such information was included for all such entities. Further, to the extent any information or documents required by Section 7-204A are obtained after this Joint Application is filed (such as a copy of the filing required by the Hart-Scott-Rodino Antitrust Improvements Act), Applicants will supplement this filing with such information or documents.

There are no current plans for the transfer to or use by an affiliate of assets or information now owned or in possession of the UI Operating Subsidiaries.

Requested Commission Findings

20. In this proceeding, the Commission should find, under Section 7-204, that:
- a) the Transaction will not diminish the UI Operating Subsidiaries' ability to provide adequate, reliable, efficient, safe and least-cost public utility service;
  - b) the Transaction will not result in any unjustified subsidization of non-utility activities by the UI Operating Subsidiaries;
  - c) costs and facilities are and will be fairly and reasonably allocated between utility and any non-utility activities in such a manner that the Commission may easily identify those costs and facilities which are properly included by the UI Operating Subsidiaries for rate-making purposes;
  - d) the Transaction will not significantly impair the UI Operating Subsidiaries' ability to raise necessary capital on reasonable terms or to maintain a reasonable capital structure;
  - e) the UI Operating Subsidiaries will remain subject to all applicable laws, regulations, rules, decisions and policies the regulation of Illinois public utilities;
  - f) the Transaction is not likely to have a significant adverse affect in those markets over which the Commission has jurisdiction; and
  - g) the Transaction is not likely to result in any adverse rate impacts on retail customers.

20. The Applicants respectfully request that the Commission enter an Order approving the Transaction as expeditiously as possible.

WHEREFORE, the Applicants respectfully request that the Commission, as expeditiously as possible, enter an order pursuant to Section 7-204:

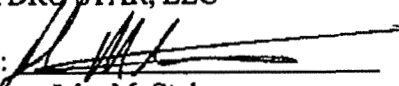
- (1) Approving and authorizing the Agreement providing for the Transaction;
  - (2) Approving and authorizing the Transaction on the terms described herein;
- and



(3) Authorizing the performance of such other duties and further actions or transactions that may be reasonably necessary or appropriate to carry out the actions proposed in this Joint Application.

Respectfully submitted,

HYDRO STAR, LLC

By:   
Name: John M. Stokes  
Title: President

NUON GLOBAL SOLUTIONS USA, B.V.

By: \_\_\_\_\_  
Name: Pieter Jöbsis  
Title: Chief Executive Officer

UTILITIES, INC.

By: \_\_\_\_\_  
Name: James L. Camaren  
Title: Chief Executive Officer

UI OPERATING SUBSIDIARIES

By: \_\_\_\_\_  
Name: James L. Camaren  
Title: Chief Executive Officer

Dated August 17, 2005

Of Counsel:  
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*Attorneys for Utilities, Inc. and each of the Illinois Operating Subsidiaries of Utilities, Inc.*

(3) Authorizing the performance of such other duties and further actions or transactions that may be reasonably necessary or appropriate to carry out the actions proposed in this Joint Application.

Respectfully submitted,

HYDRO STAR, LLC

By: \_\_\_\_\_  
Name: John M. Stokes  
Title: President

NUON GLOBAL SOLUTIONS (MSA), B.V.

By: \_\_\_\_\_  
Name: Pieter Jöbsis  
Title: ~~Chief Executive Officer~~  
*authorized representative*

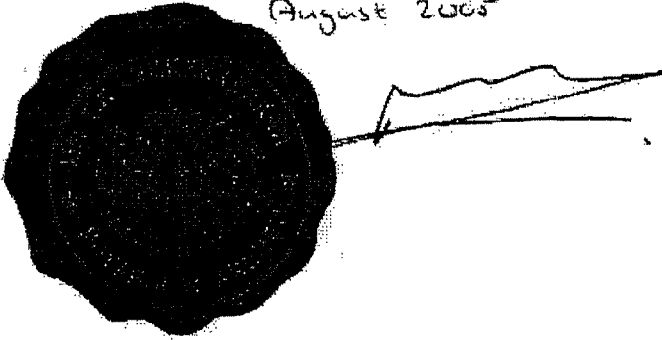
UTILITIES, INC.

By: \_\_\_\_\_  
Name: James L. Camaren  
Title: Chief Executive Officer

UI OPERATING SUBSIDIARIES

By: \_\_\_\_\_  
Name: James L. Camaren  
Title: Chief Executive Officer

The undersigned, *ten keizer, teherachester*  
civil-law notary, residing at Arnhem,  
the Netherlands, certifies the above  
signature to be the genuine signature of  
*P. Jöbsis*  
Thus signed at Arnhem, this *16<sup>th</sup>* day of  
*August 2005*



Dated August 17 2005

Of Counsel:  
John W. Treece  
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(3) Authorizing the performance of such other duties and further actions or transactions that may be reasonably necessary or appropriate to carry out the actions proposed in this Joint Application.

Respectfully submitted,


HYDRO STAR, LLC

By: \_\_\_\_\_  
Name: John M. Stokes  
Title: President

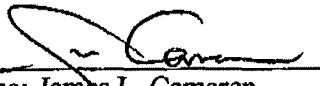
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