

18. Will the merger result in any changes in accounting principles for either Utilities, Inc., or Water Service? If yes, please summarize the change(s).

RESPONSE: No changes in accounting principles are expected as a result of the merger.

WITNESS: John Stokes & Steven M. Lubertozi

19. Please provide the current estimate of the total transaction costs for the merger.

RESPONSE: Approximately \$10 million.

WITNESS: John Stokes & Steven M. Lubertozi

20. Provide the Hydro Star annual report to shareholders for Year 2001, Year 2002, Year 2003, and Year 2004.

RESPONSE: Hydro Star is a newly formed single purpose entity that was created specifically for this stock purchase. Accordingly, there are no annual reports for the years 2001-2004.

WITNESS: John Stokes

21. Utilities, Inc. is identified as the “direct parent” of Water Service Corporation of Kentucky (“Water Service”). With regard to this statement, please provide the following:

- a. Provide a diagram showing the present corporate structure that contains Water Service including all parents, subsidiaries, and affiliates.

RESPONSE: Please see the chart attached as **Exhibit 21a**.

- b. For each entity identified in sub-part a, provide a schedule that, by entity, shows the entity type (e.g. partnership, limited liability corporation), jurisdiction for the entity’s organization (e.g. state or country of incorporation), and percentage of ownership. Provide, for any applicable entity, the identity of any minority ownership interests in excess of 5%.

Response: Nuon Global Solutions USA, BV is a Dutch limited liability company that owns 100% of Nuon Global Solutions USA, Inc. Nuon Global Solutions USA, Inc., is a Delaware corporation that owns 100% of the stock of Utilities, Inc. Utilities, Inc., is an Illinois corporation that owns 100% of the stock of Water Service, a Kentucky corporation.

- c. Provide a diagram showing the post-closing general ownership structure of Utilities, Inc., including the path from AIG Highstar Capital II to the AIG Global Investment Group and the latter’s Investment Committee.

Response: Please see the diagram attached as **Exhibit 21c**.

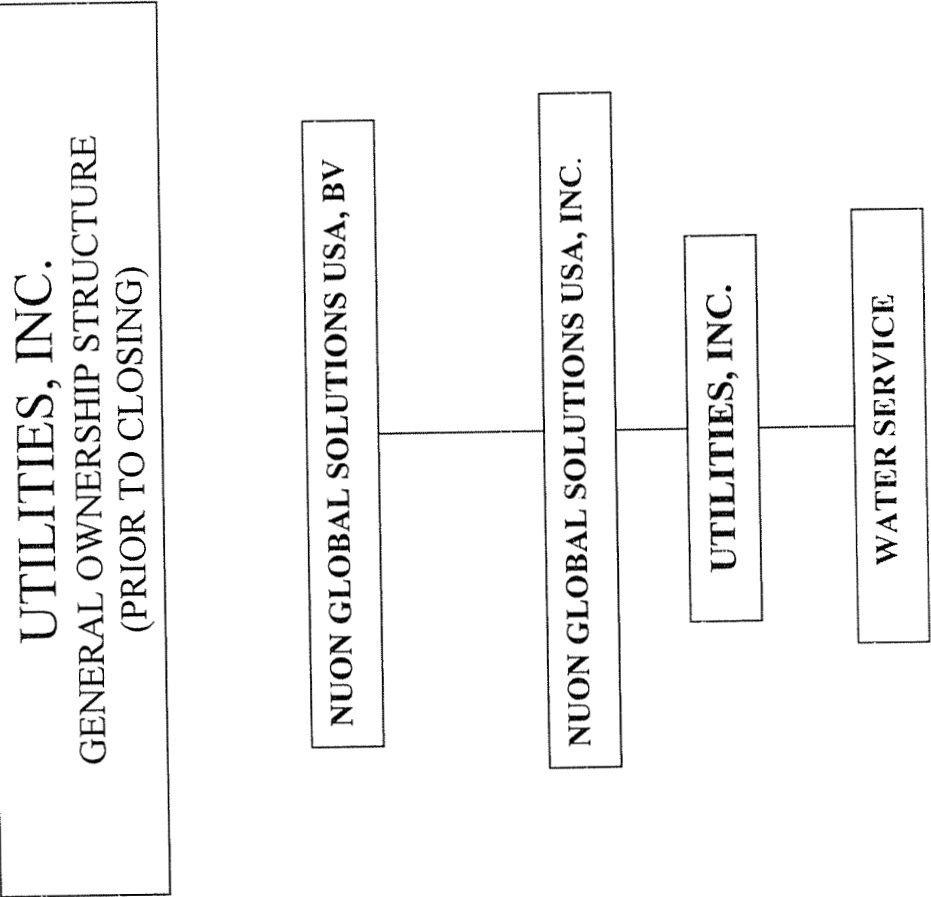
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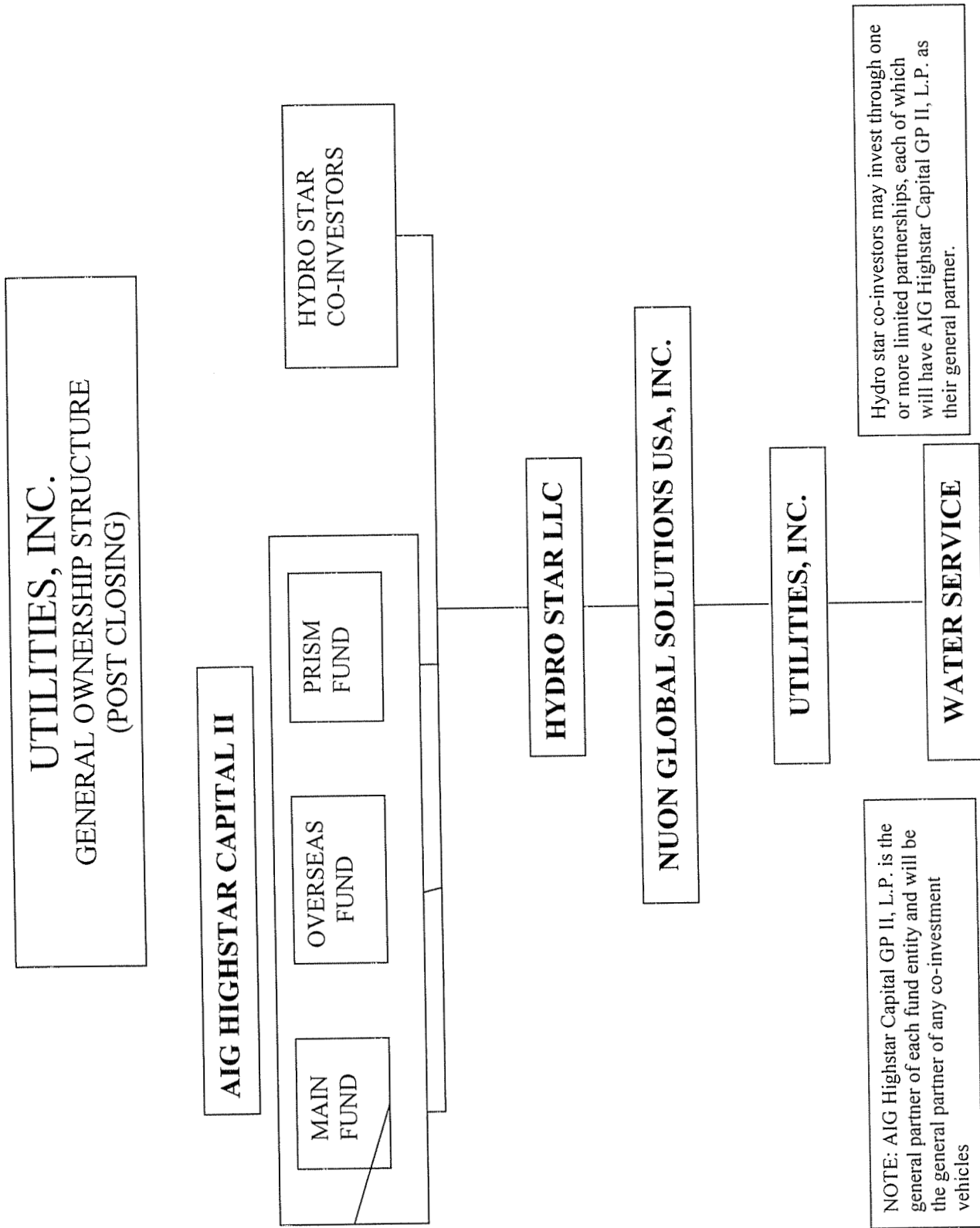
- d. For each entity identified in sub-part c, provide a schedule that, by entity, shows the entity type (e.g. partnership, limited liability corporation), jurisdiction for the entity's organization (e.g. state or country of incorporation or organization), and percentage of ownership.

RESPONSE: The Fund consists of three private equity funds, Highstar (in **Exhibit 21c**, the "Main Fund"), Highstar Overseas (in **Exhibit 21c**, the "Overseas Fund") and Highstar Prism (in **Exhibit 21c**, the "Prism Fund"), which invest in energy infrastructure and related assets and businesses. Certain investors in Highstar, including an affiliate of Highstar's sponsor, AIGGIG, are expected to invest alongside Highstar (the "Hydro Star Co-investors"). The Hydro Star Co-investors do not have any voting power with regard to Hydro Star; Highstar retains all voting rights. Prior to investments from the Hydro Star Co-investors, the Fund owns 100% of Hydro Star, a limited liability company formed under the laws of Delaware. Hydro Star will own 100% of the stock of Utilities, Inc., an Illinois corporation. Utilities, Inc., owns 100% of the stock of Water Service, a Kentucky corporation.

WITNESS: John Stokes & Steven M. Lubertozzi

EXHIBIT 21a





Hydro star co-investors may invest through one or more limited partnerships, each of which will have AIG Highstar Capital GP II, L.P. as their general partner.

NOTE: AIG Highstar Capital GP II, L.P. is the general partner of each fund entity and will be the general partner of any co-investment vehicles

22. Does this transaction require the approval of any other regulatory authority of the Commonwealth of Kentucky, any other state or federal regulatory authority, of any other national or multi-national regulatory? If yes, please provide a schedule that shows, for other approval that is necessary, the following:

- a. The regulatory authority;
- b. A summary of the filing requirement;
- c. The date or anticipated date of filing with that authority;
- d. The date or anticipated date of action of that authority; and
- e. When available, any final order or final statement concerning action by that authority.

Response: Yes. Please see the schedule attached as **Exhibit 22**.

WITNESS: Steven M. Lubertozzi

10/12/2005

UTILITIES, INC. REGULATORY APPROVALS

Jurisdiction/Local Counsel	Approvals	App. Filed or Letter Sent	Hearing Date	Date Approved
ARIZONA William Sundstrom	<p>No approval required</p> <p>The relevant statutes apply to Class A Utilities. A Class A Utility has annual revenues in excess of \$5,000,000. The Bermuda Water Company does not reach this threshold. Therefore, the statute does not apply.</p>	07/25/05		09/01/05
FLORIDA Martin Friedman, Esq.	<p>Approval Required</p> <p>Approval of the Florida Public Service Commission required under Section 367.071 et seq. of the Florida Statutes Separate approvals must be obtained from 3 county commissioners:</p> <ul style="list-style-type: none"> • Bay, Hillsborough & Sarasota County 			
FLORIDA - Bay County		07/21/05	08/16/05	08/16/05
FLORIDA - Hillsborough County		07/01/05		07/07/07
FLORIDA - Sarasota County		07/21/05		
FLORIDA - PSC		07/25/05	11/29/05	
GEORGIA	<p>No approval required</p> <p>Georgia does not have a pre-approval statutory scheme.</p>	08/25/05		

Jurisdiction/Local Counsel	Approvals	App. Filed or Letter Sent	Hearing Date	Date Approved
ILLINOIS Brian McAleenan, Esq. Eric Pruitt, Esq.	Approval Required Approval of the Illinois Commerce Commission required under Section 7-204 of the Public Utilities Act for any "reorganization" of an Illinois public utility. A reorganization is defined to include any transaction that effects a "change in ownership or control" of "any entity which owns or controls a majority of the voting capital stock of a public utility"	08/17/05	09/14/05 - Prehearing Confer.	
INDIANA Clayton Miller	No approval required The IURC does not have jurisdiction over mergers or sales of stock by holding companies owning operating utilities in Indiana	07/13/05	N/A	07/13/05
KENTUCKY Damon Talley, Esq.	Approval Required Approval of the Kentucky Public Service Commission required under Section 278.020 et seq. of the Kentucky Revised Statutes	08/02/05		Decision shall be issued no later than 11/30/05
LOUISIANA Ned Bergin, Esq.	Possible Approval Required Approval by the Louisiana Public Service Commission is advisable under Sections 45-1168 - 45-1175 of the Louisiana Revised Statutes and a 1994 General Order of the LPSC.	07/19/05		08/24/05

Jurisdiction/Local Counsel	Approvals	App. Filed or Letter Sent	Hearing Date	Date Approved
MARYLAND Ronald A. Decker, Esq.	No approval required Maryland law does not extend to transactions of parent corporations unless there is a contract that will materially affect the Maryland utility franchise or if the stock to be purchased is of a Maryland corporation and the acquiring utility is of the same class as the Maryland Company.	07/05/05	07/20/05 – Agenda	07/20/05
MISSISSIPPI James Halford, Esq.	Approval Required Approval of the Mississippi Public Service Commission required under Section 77-3-23 of the Mississippi Code.	07/06/05		09/12/05
NEVADA Dan R. Reaser, Esq. Shawn Elicegui, Esq.	Approval Required Approval of the Public Utilities Commission of Nevada is required under Section 704.329 and possibly Section 704.410 of the Nevada Revised Statutes			
NEW JERSEY Walter Reinhard, Esq.	Approval Required Approval of the New Jersey Board of Public Utilities under Sections 48:2-51.1 and 48:3-10 of the New Jersey Statutes Annotated	09/16/05		
NORTH CAROLINA Edward Finley, Esq.	Approval Required Approval of the N.C. Utilities Commission required under Section 62-111 of the N.C.G.S.	08/18/05		
OHIO William Newcomb, Esq.	No approval required	07/14/05		07/14/05

Jurisdiction/Local Counsel	Approvals	App. Filed or Letter Sent	Hearing Date	Date Approved
PENNSYLVANIA James Dougherty, Esq.	Approval Required Approval of the Pennsylvania Public Utilities Commission required under Ch. 11 of the PA Public Utility Code, 66 C.S. sections 1101-1103	08/17/05		
SOUTH CAROLINA John Hoefler, Esq.	No approval required Neither party to this transaction owns or controls the management and operation of the public utilities. They are not utilities; the parent of the utilities is not involved; and the parties are not acquiring operating utilities.	07/06/05		
TENNESSEE Edward Finley, Esq.	Approval Required Approval of Tennessee Regulatory Authority required under TN Code § 65-4-113.	07/11/05		09/12/05
VIRGINIA Donald Owens, Esq.,	Approval Required Approval of the Virginia State Corporation Commission required under Section 56-88 et seq. of Virginia Code	08/29/05		

23.RE: AIG 2004 Annual Report, Letter to Shareholder, page 1. For AIG, please provide a discussion that summarizes the identified weaknesses in internal controls.

RESPONSE: This question was withdrawn by the Attorney General's Office. Therefore, no response is necessary.

24.RE: AIG 2004 Annual Report, Letter to Shareholder, page 1. For AIG, please provide a discussion that summarizes the decision to restate financial results.

RESPONSE: This question was withdrawn by the Attorney General's Office. Therefore, no response is necessary.

25. Are AIG's Asset Management operations wholly-owned subsidiaries of AIG? If no, please provide a schedule that shows AIG's percentage of ownership and identify any owners who have a 5% or greater stake in ownership.

RESPONSE: This question was withdrawn by the Attorney General's Office. Therefore, no response is necessary.