

Water Service Corporation of Kentucky
Case No. 2012-00133
Commission Staff's First Set of Information Requests

23. a. List all regulatory and governmental approvals required for Corix's acquisition of Hydro Star's stock.
- b. For each approval listed in response to Item 23(a), provide a copy of the application, state the date an application for such approval will be or has been submitted and the expected date of approval.
- c. Provide a copy of the regulatory and governmental approvals when they are issued.

Responses: a. A list of regulatory and governmental approvals that are required are attached.

b. A spreadsheet with filing dates and legal deadlines is attached. In addition, the applications from the following jurisdictions are attached: Florida, Florida (Charlotte County), Illinois, Louisiana, Maryland, Nevada, New Jersey, Pennsylvania, Tennessee, Virginia (Colchester), and Virginia (Massanutten).

c. The Tennessee Regulatory Authority and Maryland Public Service Commission have approved the transfer, and copies of those approval orders are attached. Other approvals will be submitted after they are received.

Witness – Steve Lubertozi

Public Staff Data Request No. 23a – Approvals Required

A. THE HART-SCOTT-RODINO ANTITRUST IMPROVEMENTS ACT OF 1976, AS AMENDED ("HSR") ACT

Corix Utilities and Highstar have filed a Notification and Report Form Pursuant to the HSR Act.

B. STATE PUBLIC UTILITIES COMMISSION REGULATORY APPROVALS

1. *Florida*

The Company owns and operates fourteen water and sewer service utility companies in Florida. This case was recently filed and is in the discovery phase.

2. *Illinois*

The Company owns and operates twenty-three water and sewer service utility companies in Illinois. This case was recently filed and is in the discovery phase.

3. *Kentucky*

The Company owns and operates one water and sewer service utility company in Kentucky. This case was recently filed and is in the discovery phase.

4. *Louisiana*

The Company owns and operates two water and sewer service utility companies in Louisiana. This case was recently filed and is in the discovery phase.

5. *Maryland*

UI owns and operates three water and sewer service utility companies in Maryland. The Maryland Public Service Commission has approved the transfer.

6. *Nevada*

The Company owns and operates four water and sewer service utility companies in

Nevada. This case was recently filed and is in the discovery phrase.

7. *New Jersey*

UI owns and operates two water and sewer service utility companies in New Jersey. This case was recently filed and is in the discovery phrase.

8. *North Carolina*

The Company owns and operates five water and sewer service utility companies in North Carolina. This case was recently filed and is in the discovery phrase.

9. *Pennsylvania*

The Company owns and operates three water and sewer service utility companies in Pennsylvania. This case was recently filed and is in the discovery phrase.

10. *Tennessee*

The Company owns and operates one water service utility company in Tennessee. The Tennessee Regulatory Authority has approved the transaction.

11. *Virginia*

UI owns and operates one regulated water and sewer service utility company and one unregulated sewer utility company in Virginia. This case was recently filed and is in the discovery phrase.

C. LOCAL GOVERNMENT APPROVALS

UI owns and operates Utilities, Inc. of Sandalhaven, which is a water service utility company subject to the regulatory jurisdiction of the County of Charlotte, Florida. The County determined that the transfer of ownership and control is far enough removed from Utilities Inc. of Sandalhaven that the County does not need to take any official action.

| <u>No.</u> | <u>Jurisdiction</u> | <u>Date Filed</u> | <u>Docket Number</u> | <u>Statutory Deadline</u> |
|------------|--------------------------|-------------------|----------------------|---------------------------|
| (1) | Florida Charlotte County | 12-Apr | N/A | N/A |
| (2) | Florida PSC | 13-Apr | 120084-W/S | None |
| (3) | Illinois | 12-Apr | 12-0279 | 11 months |
| (4) | Louisiana | 12-Apr | S-32297 | None |
| (5) | Maryland | 12-Apr | Maillog 138404 | Approved |
| (6) | Nevada | 16-Apr | 12-04017 | 6 months |
| (7) | New Jersey | 12-Apr | WM0412040313 | None |
| (8) | North Carolina | 13-Apr | W-1000, Sub 14 | None |
| (9) | Pennsylvania | 13-Apr | P-2012-2299714 | None |
| (10) | Tennessee | 13-Apr | 12-00033 | Approved |
| (11) | Virginia - Colchester | 17-Apr | PUE-2012-00047 | 5 months |
| (12) | Virginia - Massanutten | 17-Apr | PUE-2012-00048 | 5 months |

**SUNDSTROM,
FRIEDMAN & FUMERO, LLP**

Attorneys | Counselors

766 NORTH SUN DRIVE
SUITE 4030
LAKE MARY, FLORIDA 32746

PHONE (407) 830-6331
FAX (407) 830-8522



April 13, 2012

HAND DELIVERY

Ann Cole, Commission Clerk
Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

www.sfflaw.com
RECEIVED-PPSC
12 APR 13 PM 2:07
COMMISSION
CLERK

RE: Docket No.: _____; Application of Utilities, Inc., for Authority for Transfer of Majority Organizational Control of Hydro Star, LLC to Corix Utilities (Illinois) LLC
Our File No.: 30057.204

Dear Ms. Cole:

Enclosed for filing are the original and fifteen (15) copies of the Application of Utilities, Inc., for Authority for Transfer of Majority Organizational Control of Hydro Star, LLC, to Corix Utilities (Illinois) LLC, along with this firm's check in the amount of \$6,000 which I believe to be the appropriate filing fee.

In addition, enclosed are the original and fifteen (15) copies Utilities, Inc.'s Petition for Variance or Waiver of Rules 25-30.037 (3) (i), (j) and (k) and 25-30.030 (4)(c), (6) and (7), Florida Administrative Code.

Should you have any questions regarding the enclosed, please do not hesitate to give me a call.

Very truly yours,

MARTIN S. FRIEDMAN
For the Firm

MSF/mp
Enclosures

cc: Steven Lubertozi, Exec. Director of Regulatory Accounting & Affairs (w/encs.) (via e-mail)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Application of UTILITIES, INC.
for authority for transfer of majority
organizational control of HYDRO STAR,
LLC to CORIX UTILITIES (ILLINOIS) LLC

Docket No. _____

APPLICATION FOR AUTHORITY FOR TRANSFER
OF MAJORITY ORGANIZATIONAL CONTROL

UTILITIES, INC. ("Applicant"), by and through its undersigned attorneys, and on behalf of its regulated subsidiaries in Florida, and pursuant to Rule 25-30.037(3), F.A.C., files this Application for authority for transfer of all of the issued and outstanding membership interests in Hydro Star, LLC, the holding company of Applicant's parent company, and states:

1. The name and address of the Applicant is:

Utilities, Inc.
2335 Sanders Road
Northbrook, IL 60062-6196
Telephone: (847) 498-6440

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

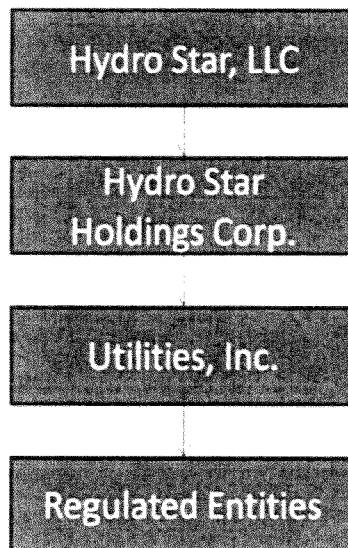
Martin S. Friedman, Esquire
Sundstrom, Friedman & Fumero, LLP
766 North Sun Drive, Ste. 4030
Lake Mary, FL 32746
Telephone: (407) 830-6331
Facsimile: (407) 830-8522
mfriedman@sfflaw.com

3. The Applicant is an Illinois corporation which directly 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" lists the name of each Regulated Entity, its Certificate Number(s) and the county in which it conducts its operations.

4. On February 17, 2012, Corix Utilities (Illinois) LLC ("Corix") and Highstar Capital Fund II, L.P. and certain of its affiliates and co-investors ("Highstar") entered into a Purchase and Sale Agreement ("PSA") pursuant to which Corix will acquire 100% of the issued and outstanding membership interests in Hydro Star, LLC ("Hydro Star"), which, through its ownership of Hydro Star Holdings Corporation, owns 100% of the outstanding shares of Utilities, Inc. It is possible that following the consummation of the transactions contemplated by the PSA, Corix will merge with and into Hydro Star, thereby eliminating one of the intermediate holding companies through which Corix will hold its indirect interest in Utilities, Inc. and its indirect interest in the Regulated Entities.

The following chart shows the relationship of this transaction to the Regulated Entities:



The parties intend to consummate the transaction as soon as practicable after expiration or termination of the Hart-Scott-Rodino Act waiting period, receipt of all other requisite governmental and/or regulatory permits and approvals, receipt of Committee on Foreign

Investment in the United States clearance, and the satisfaction or waiver of all other requisite conditions precedent.

5. The Applicant provides the following in response to Rule 25-30.037(3):
 - (a) The complete name and address of the Seller:

Highstar Capital II Prism Fund, L.P.
Highstar Capital Fund II, L.P.
Hydro Star Interco LLC
American General Life Insurance Company
c/o Highstar Capital Fund II, L.P.
277 Park Avenue
45th Floor
New York, New York 10172
 - (b) The complete name and address of the Buyer is:

Corix Utilities (Illinois) LLC
c/o Corix Infrastructure Inc.
11020 West Plank Court #100
Wauwatosa, WI 53226
(604) 697-6700
 - (c) The sole member of Corix Utilities (Illinois) LLC, is Inland Pacific Resources, Inc. whose officers and directors are listed on Exhibit "B".
 - (d) Corix through its affiliates (collectively, the "Corix Group") is currently engaged in water, wastewater and energy utility and utility service operations in 14 states and parts of Canada. An overview of The Corix Group is attached as Exhibit "C".
 - (e) The purchase price will be paid in cash by Corix. Corix has the financial capacity, or access to capital, required to fund future capital expenditures of Utilities, Inc. and the Regulated Entities.
 - (f) The transfer is in the public interest. It is not anticipated that the

acquisition by Corix of the membership interests in Hydro Star will result in any change in management of any of the Regulated Entities, and, as a result, the expertise of existing management will remain in place. By combining Applicant's and the Regulated Entities' management approach and regulatory and operational expertise with the regulatory and operational expertise and financial resources and support of Corix and the Corix Group, the Regulated Entities will continue to have the ability to provide consistent and uninterrupted service to their customers.

The proposed transaction does not contemplate any change in the direct ownership or control of the Applicant or 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 and the Regulated Entities have seasoned management teams with many years of experience in the water and wastewater industry. Their customer services staff and the local operating staff are also well experienced in their areas of operations. There are currently no plans to change either the local management team or the customer services or local area staffs as a result of the proposed transaction. The day-to-day operations of the Regulated Entities will continue to be managed and operated in the same manner as they are currently operated. Following the proposed transaction, the Regulated Entities will continue to receive the support they currently receive from the Applicant.

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) Following the proposed transaction, Corix expects to provide funding to the Applicant and the Regulated Entities on an "as needed" basis. Corix will have, or have access to, sufficient cash necessary to provide funding for the operations of the Applicant and the Regulated Entities.

(h) After reasonable investigation, Corix 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).

(i) This Application does not involve a transfer of the facilities or the land owned or occupied by any of the Regulated Entities. The Regulated Entities will continue to own or lease the land on which their utility treatment facilities are currently located.

(j) Because the transfer affects the ownership of the membership interests of Hydro Star, the "grandparent", holding company of the parent company 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 membership interests of Hydro Star, the "grandparent", the holding company of the parent company, 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. Corix will fulfill the existing commitments, obligations and representations of the Applicant and Regulated Entities with regard to utility matters.

7. An Affidavit that 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 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 12th day
of April, 2012, by:

SUNDSTROM, FRIEDMAN & FUMERO, LLP
766 North Sun Drive, Suite. 4030
Lake Mary, FL 32746
PHONE: (407) 830-6331
FAX: (407) 830-8522
mfriedman@sflaw.com

BY: 

MARTIN S. FRIEDMAN
For the Firm

AFFIDAVIT

STATE OF ILLINOIS

COUNTY OF COOK

I, LISA SPARROW, 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 this 11th day of April, 2012.



LISA SPARROW
President and CEO

SWORN TO AND SUBSCRIBED before me this 11th day of April, 2012, by LISA SPARROW, who is personally known to.



NOTARY PUBLIC – State of Illinois
Print Name: Nancy Paule
My Commission Expires: 3-2-2015

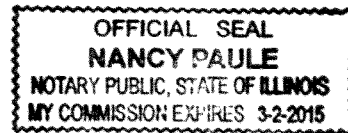


EXHIBIT "A"

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

| <u>Subsidiary Name</u> | <u>County of Operations</u> | <u>Certificate No.</u> |
|-------------------------------------|-----------------------------|------------------------|
| Bayside Utility Services, Inc.* | Bay | None |
| Cypress Lakes Utilities, Inc. | Polk | 509-S; 592-W |
| 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 |
| Sandy Creek Utility Services, Inc.* | Bay | None |
| Sanlando Utilities Corp. | Seminole | 189-S; 247-W |
| 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 Longwood | Seminole | 232-S |
| Utilities, Inc. of Pennbrooke | Lake | 400-S; 466-W |
| Utilities, Inc. of Sandalhaven* | Charlotte | None |

***County regulated**

EXHIBIT "B"

Officers and Directors of Inland Pacific Resources, Inc.

Bios

INLAND PACIFIC RESOURCES INC. OFFICERS

The Officers of Inland Pacific Resources, all members of the senior management team at Corix average over 20 years of experience and a track record of successful growth. Prior to joining Corix, many of the Company's senior management members held positions in the utility industry, notably with Terasen (now FortisBC), the major gas distribution utility in British Columbia, and Terasen Water and Utility Services, a predecessor of Corix.

Brett Hodson, President & CEO

Brett Hodson has worked in the energy and water utility industries for over 20 years, first with BC Hydro then joining Terasen (now FortisBC) in 1991. At Terasen, Brett held a number of positions in the areas of resource planning, marketing, regulatory pricing, and business development. For the six years prior to the Kinder Morgan acquisition, Brett had been the President of TWUS and was a member of the Executive Management Committee of Terasen. In 2006, he was instrumental in leading the successful bid to purchase TWUS back from Kinder Morgan. Brett holds a Bachelor of Arts degree in Psychology and a Certificate in Liberal Arts from Simon Fraser University. He has a Masters in Business Administration from the Ivey Business School at the University of Western Ontario.

Hamish Cumming, EVP, Legal, Risk Management & Corporate Secretary

Hamish Cumming joined Corix Utilities in 2003. Prior to joining Corix, Hamish was Legal Counsel for Terasen (now FortisBC) after having practiced law for five years at Davis and Company, one of Canada's leading national law firms. In his capacity as counsel, Hamish had an instrumental role in the development and expansion of Terasen's water and utility services business, which evolved into Corix. Hamish is a member of the Law Society of British Columbia and the Canadian Bar Association. He was previously a Director of the Canadian Corporate Counsel Association and Secretary of the BC Chapter of the Canadian Corporate Counsel Association.

Dietz Kellmann, EVP, Corporate Development

Dietz Kellmann has over 20 years of regulatory, strategic planning, corporate development, finance and project management experience, working primarily in the energy utility and sustainable communities sectors. Prior to joining Corix, Dietz worked as an economist for the National Energy Board and as Director, Corporate Finance at Terasen (now FortisBC). Dietz joined Corix in 2007 as Vice President Corporate Development to support the Company's growth objectives and capabilities. Working closely with the Corix Executive Management Team, he is responsible for the development of Corix's long-term strategic plan and for leading select mergers and acquisitions. Dietz represents Corix on the Board of Directors of FSW and the Management Committee of Doyon Utilities LLP in Alaska. Dietz holds Bachelors and Masters Degrees in Economics from the University of Western Ontario and an MBA from Simon Fraser University. He is a member of the Certified Management Accountants Society of BC and the Yukon.

Albert Low, CFO & EVP, Finance & Support Services

Albert Low began his career with Terasen (now FortisBC) in 1997 and was named Director in 1998. He moved to the role of Vice President, Finance, Compliance and Logistics of TWUS in 2001 and was an integral part of the Executive Management Team involved in the purchase of TWUS from Kinder Morgan in 2006. With Corix (and previously TWUS), Albert has been responsible for the overall direction and growth of the finance, HR, business planning and budgeting, IT, customer financial services, safety, governance and disclosure reporting, and acquisition integration and special operations functions. Prior to joining Terasen,

Albert held senior financial and controller positions in the retail, manufacturing, warehousing and distribution, and high technology sectors. Albert graduated magna cum laude with a Diploma of Technology in financial management from the British Columbia Institute of Technology, is a Certified General Accountant and has completed executive development programs at Templeton College, Oxford University and The Wharton School, University of Pennsylvania.

Eric Van Roon, VP & COO Canadian Utilities

Eric Van Roon has over 20 years of engineering, business development and project management experience for projects ranging in size up to \$4 billion in both the private and public sectors with terms up to 114 years. As Corix's Vice President, Eric was responsible for structuring financing and business arrangements for several multi-utility services projects. Eric is currently overseeing Corix's operations, business and project development management teams for water and wastewater, as well as multi-utility and energy business across Canada and the United States, including the ongoing construction and operations of the Langford wastewater concession under West Shore Environmental Services and the Sustainable Energy division.

Steve Little, VP & COO Utility Products

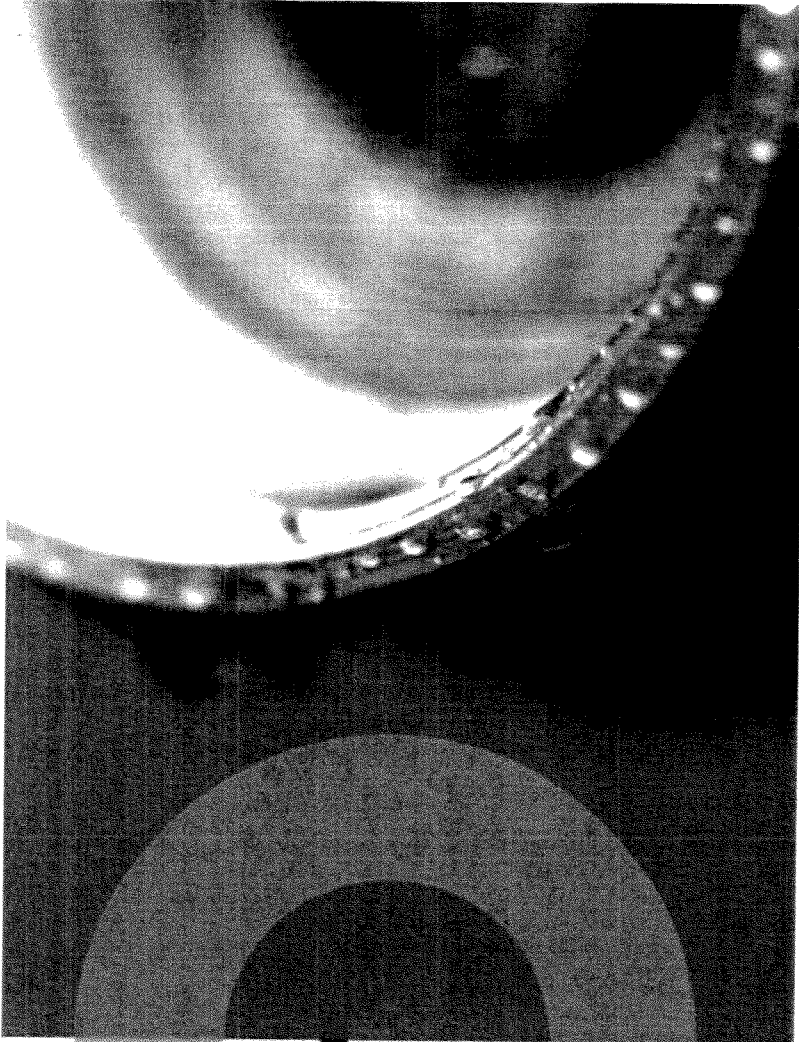
Steve Little began his career at International Plastics, which was purchased by TWUS (now Corix) in 2000, and has worked his way from a position in the warehouse to his current position leading the Water Products group. Steve has been instrumental in the due diligence and acquisition of several companies, most notably Ontario Water Products and Edward S. Walsh Co., which secured Corix a water products presence in the US. During Steve's tenure with the Company he has been involved in business development, product line diversification, branch expansion and the attraction, retention and development of staff. Steve has also built strong relationships with suppliers and vendors and is central to the establishment of the rebate programs Corix has with these groups.

Jack Touhey, VP Public and Government Affairs

Jack Touhey has over 25 years in business management experience, having held senior executive level positions as District General Manager of Honeywell Canada, a leading North American HVAC provider and President of Ames Bros. Distributors Ltd., an established provider of ceramic and stone products in Western Canada. Prior to this, Jack's experience includes 11 years in the regulated natural gas distribution business of BC Gas and was a member of the Rate Design Team with which he served as an expert panel member in rate application hearings before the British Columbia Utilities Commission. He managed and led all sales activities of BC Gas' Distribution Services Sales and Marketing Team and was later promoted to Director of Customer Services, accountable for all Greater Vancouver customer service activities, with over 300 employees operating from branch locations throughout BC and with an operating budget of \$12 million. Expanding his knowledge and experience into BC Gas' non-regulated business, Jack managed the start-up of DLA Distributed Energy Services Co. Ltd., the company that led ultimately to BCG Services and quickly moved up into the position of Vice President, playing a key role in company acquisitions. Jack holds a BA, Commerce and Economics Degree from Simon Fraser University in Burnaby, BC and is a Member and former Chairman of the Pacific Coast Gas Association Marketing Committee.

EXHIBIT “C”

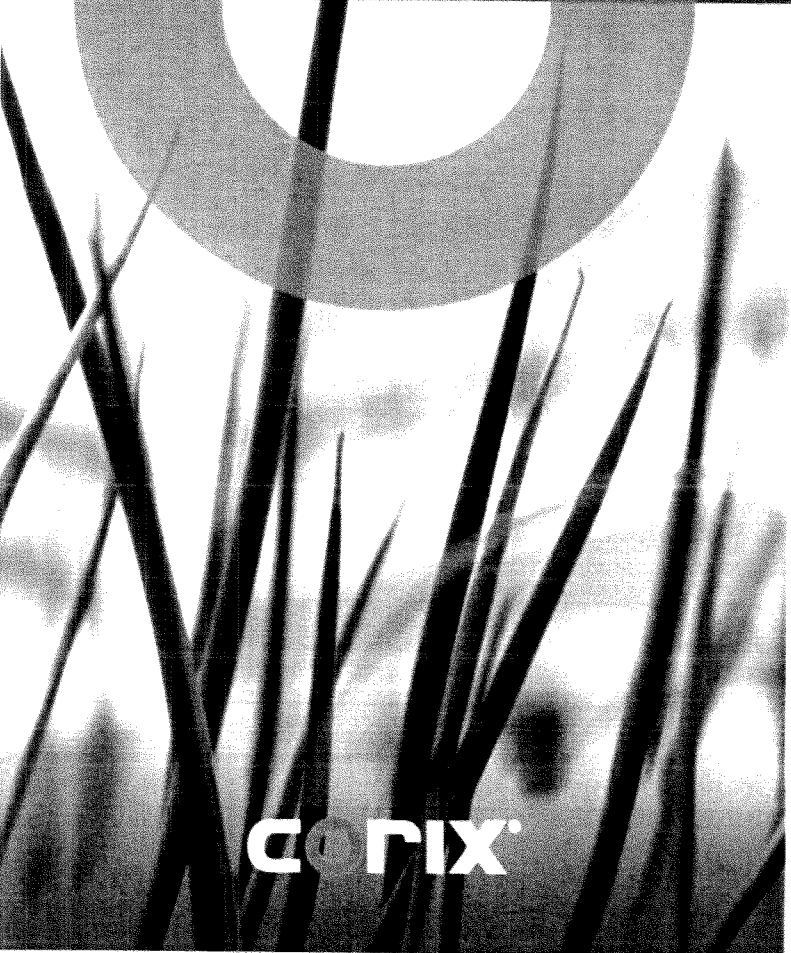
The Corix Group Overview



The Corix Group



March, 2012



CORIX

Building a World of
Sustainable Communities

TABLE OF CONTENTS

| | |
|--|----------|
| 1. CORIX OVERVIEW..... | 2 |
| Corporate Governance..... | 2 |
| Financial Capacity..... | 2 |
| Human Resources..... | 2 |
| Regulatory Experience..... | 3 |
| Community Involvement..... | 3 |
| Operation Locations..... | 3 |
| Corix Utilities..... | 4 |
| Utility Services..... | 4 |
| Utility Products..... | 4 |
| 2. CORIX UTILITY SYSTEMS..... | 4 |
| Fairbanks Sewer & Water Inc..... | 4 |
| Doyon Utilities LLC..... | 5 |
| Corix Utilities (Oklahoma) Inc..... | 5 |
| Other Multi-Utility Businesses..... | 6 |
| Summary of Corix Water and Sewer Projects..... | 7 |

1. CORIX OVERVIEW

Corix is a recognized leader in the implementation of sustainable water, wastewater and energy infrastructure solutions for small to medium-sized communities across North America. Corix designs, supplies, builds, installs, finances and manages utility infrastructure on behalf of municipal, institutional, military and private-sector customers. Corix currently has over 2,200 employees dedicated to providing high quality utilities, services and products.

CORPORATE GOVERNANCE

Corix is a privately held corporation and is principally owned by British Columbia Investment Management Corporation, CAI Capital Partners and Corix employees. Corix is governed by a public-style Board of Directors, currently with seven members representing shareholders and management.

Corix is committed to excellence and effectiveness in financial and risk management through its comprehensive corporate governance framework. Key components include:

- Board of Directors
- Audit Committee
- Human Resources Committee
- Operating Committee
- Health, Safety and Environment Committee
- Enterprise Risk Management Framework
- Internal Audit Department
- Disaster Recovery and Emergency Response Testing and Simulations
- Corporate Scorecard
- Whistleblower Program
- Regular Legislative Review of Regulations Within Jurisdictions of Operations

FINANCIAL CAPACITY

Corix has over \$750 million of assets under management and a strong track record of generating stable revenues and operating cash flows. As an institutionally-owned private utility company, Corix is able to finance its equity needs without accessing the capital markets, significantly reducing the time required and the associated financing risk usually associated with lengthy transaction timelines.

Over the past three years, under challenging market conditions, Corix and its lenders have completed five syndicated bank financings totaling almost \$450 million in support of multi-utility asset acquisitions. Corix carries sufficient debt capacity under its general credit facilities to fund ongoing capital plans for all of its operations and ensures that sufficient credit capacity is maintained to accommodate unexpected capital expenditure needs in its utility operations.

Given the solid support from its owners and lenders, Corix is has the financial capacity required to for all future capital expenditures of Utilities, Inc.

HUMAN RESOURCES

Corix has extensive direct and relevant experience in successfully transitioning operating utilities into the Corix Group. Since 2008, Corix has purchased and integrated several unique utility systems valued at over \$500 million in which we welcomed over 230 new employees to Corix. The Utilities, Inc. acquisition will add over 400 additional employees in 15 states.

Our experience consistently proves that retention of the incumbent staff is critical for the effective transfer of all institutional knowledge required to truly understand the technical and operational history of a given utility system. In a recent University of Oklahoma acquisition we offered employment to all 32 existing

employees. In our purchase of U.S. military assets at three military bases in Alaska, we also hired the existing staff, and with growth of the system and creation of new positions we currently have 130 employees serving the three military bases.

REGULATORY EXPERIENCE

As an experienced owner of regulated assets, Corix understands the importance of maintaining strong regulatory relationships as well as the need to structure transactions that provide appropriate assurances to regulators and customers. Corix has significant in-house experience in developing successful applications before local and state regulatory authorities in a variety of jurisdictions and augments this expertise with local experts who are well-acquainted with local legislation, regulations and practices.

Corix has demonstrated its ability to successfully acquire, manage and operate utility businesses throughout North America based on its track record of operational expertise, health and safety, customer service and community involvement.

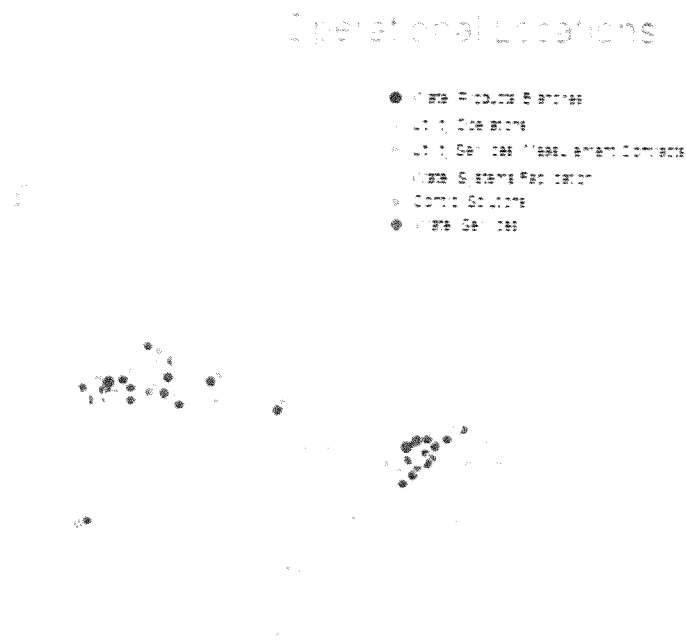
COMMUNITY INVOLVEMENT

We believe a strong community will support a strong and reliable utility. Corix and its employees support local charities and community groups in every region in which we operate. We also believe in supporting environmental and sustainability initiatives that align well with our core businesses.

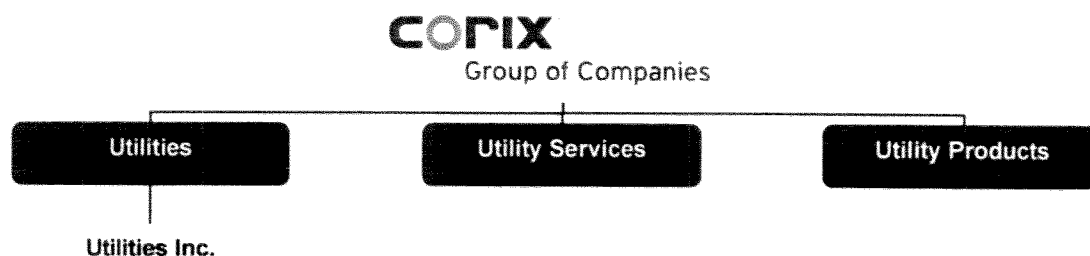
OPERATION LOCATIONS

Corix has achieved rapid growth in recent years through both internal business development and acquisitions. Today, Corix has over \$750 of assets under management and over 2,200 employees operating in 85 locations across North America. The Corix senior management team averages in excess of 20 years of utility industry experience with a successful track record of operations and growth across the Corix platform.

The following map illustrates Corix's current operating locations.



Corix has a unique "economies of scope" business model that integrates three distinct but highly complementary lines of business: Utilities, Utility Services and Utility Products.



CORIX UTILITIES

Unlike traditional single service utilities, Corix is focused on providing utility ownership and management across multiple utilities at the local level. Utilities under management by Corix include water treatment and distribution, wastewater collection and treatment, thermal generation and combined heat & power (CHP) plants, natural gas and electricity distribution, and chilled water plants and distribution systems. Corix facilitates seamless integration of the systems through its extensive technical and operating expertise and common corporate governance standards with respect to overall utility management, capital planning, health and safety, customer care, information technology, legal services and rate regulation.

UTILITY SERVICES

Corix provides measurement and metering services to municipalities, utilities, and cooperatives throughout North America, with its main operational centre located in Wauwatosa, Wisconsin. The services provided include automated meter reading deployment, maintenance and support, meter changes and retrofits, contract meter reading, code compliance, utility field installation services, and other special field services. Corix also provides turnkey design-build water systems and fire hydrant leak detection, maintenance, and repair.

UTILITY PRODUCTS

Corix operates 38 utility products branches across North America, distributing a full line of pipes, valves, meters, pumps, irrigation equipment, service, and repair products and other components that are used to transport clean water and wastewater. Corix also serves the oil, gas, and industrial products sector by providing measurement and control equipment.

2. CORIX UTILITY SYSTEMS

Corix, as a multi-utility service provider, owns and operates a variety of water and sewer systems in addition to thermal energy and electric power assets. A summary of several of the notable utility operations is provided below.

FAIRBANKS SEWER & WATER INC.

Corix owns 100% of Fairbanks Sewer and Water Inc. ("FSW"). With assets of approximately \$115 million, FSW provides water treatment and distribution, wastewater collection and treatment, and customer care services to the 80,000 residents of the Greater Fairbanks area. FSW was created through the

privatization of the utility systems previously owned by the City of Fairbanks, Alaska. FSW then successfully transitioned these systems from under-funded and deteriorated municipal assets to a private utility with rates subject to regulation by the Regulatory Commission of Alaska. The quality, sustainability and service levels have shown consistent improvement since that time and FSW continues to ensure that the systems meet all regulatory requirements, are upgraded to meet new requirements where necessary, and have the capacity to address the population growth in Fairbanks.

DOYON UTILITIES LLC

Corix owns 50% of Doyon Utilities LLC, which in turn owns 12 utilities serving a total population of approximately 50,000 on three U.S. military bases in Alaska. The assets were transferred to private ownership by the U.S. government under a military privatization transaction.

The water and sewer infrastructure includes three potable water treatment plants, 31 wells, a dam and surface water reservoir, 85 miles of associated water distribution systems, 57 miles of associated sewer collection systems and lift stations, and a sewer treatment plant. The full scope of the operation also includes two district energy systems, electric distribution and natural gas distribution. The operation currently has 130 employees managing these mission critical utilities, including 20 engineering and construction project managers engaged to plan, engineer and manage approximately 500 construction projects scheduled for completion over the initial five years.

Doyon was selected for the transaction under a competitive bid process as the proponent with the best pricing, which was also significantly lower than the military's status quo "Should-Cost" forecast. The original transaction included approximately \$200 million of legacy assets and we have invested an additional \$150 million to date in planned upgrades and renewals and replacements. It is expected that total capital upgrades and R&R investments will be as high as \$1 billion over the term of the 50-year contract.

This transaction is the largest and most complex utility privatization action ever undertaken by the U.S. Military to date, both in terms of size and scope. Some of the unique features of this operation include:

- Multi-utility operations at each of the three military bases.
- Locations in both the interior and coastal areas of Alaska.
- On-site power generation at two of the installations and construction of a base-load landfill gas-fired renewable energy power plant.
- Ownership and operation of the Ship Creek Dam and reservoir and associated 8 MGD water treatment plant.
- Direct ownership of the sewer plant, which was previously a federally owned treatment works. Upon conversion to private ownership we were able to maintain the exemption related to hazardous waste treatment standards imposed on privately owned treatment works.
- Transition over a 10 month period including construction of certain key facilities, acquisition of fleet vehicles and transition of staff.
- The 12 utilities are regulated by the Regulatory Commission of Alaska and monthly charges to the federal government are based on a cost of service utility model.

CORIX UTILITIES (OKLAHOMA) INC.

Through a nation-wide solicitation process, Corix was selected by the University of Oklahoma to purchase a 50 year concession to invest in and design, build, operate and maintain six utility systems serving a student population of approximately 30,000 at its campus in Norman, Oklahoma. This multi-utility operation includes water and sewer systems, a central heat and power plant, district energy system, chilled water production and distribution system, and electrical and natural gas distribution systems. The initial acquisition price was \$118 million and the total 50-year capital investment is estimated at over \$600

million. The University's incumbent employees were hired by Corix as part of the transition. The concession agreement is structured to mirror regulated utilities in Oklahoma using typical cost of service rate-setting principles. The benefits to the University included monetization of non-core utility assets and reallocation of the funds to the core education and research missions.

OTHER MULTI-UTILITY BUSINESSES

In Canada, Corix owns and/or operates 164 utility systems serving approximately 200,000 residents in over 100 small to medium sized communities and resort areas. The system registry for Canada includes 40 water treatment plants, 59 water distribution systems, 28 wastewater treatment facilities, and 37 wastewater collection systems. Corix also provides energy and other services to a number of these communities.

Throughout its history, Corix has designed, constructed and operated utility systems as part of complex water and sewer projects as well as stand-alone systems, working closely with communities to develop the solutions that best address their needs. The utilities are either regulated by provincial authorities or operate under contracts structured according to cost of service principles.

SUMMARY OF CORIX WATER AND SEWER PROJECTS

Corix currently provides water and/or sewer service an estimated population of over 350,000 people. The following table summarizes the water and sewer projects currently operated by Corix across North America.

| Location / System Name | Scope of Services | Pop. (Approx) | Water Treatment | Water Distribution | Wastewater Collection | Wastewater Treatment |
|--|-----------------------------|----------------|-----------------|--------------------|-----------------------|----------------------|
| Alaska | | | | | | |
| City of Fairbanks | Own / Operate | 80,000 | X | X | X | X |
| U.S. Army - Fort Wainwright | Own / Operate (50%) | 25,000 | X | X | X | |
| U.S. Air Force - Joint Base Elmendorf Richardson | Own / Operate (50%) | 20,000 | X | X | X | |
| U.S. Army - Fort Greely | Own / Operate (50%) | 2,000 | | X | X | X |
| Oklahoma | | | | | | |
| Oklahoma University | Own / Operate | 30,000 | | X | | X |
| Total U.S. | | 157,000 | 3 | 5 | 4 | 3 |
| British Columbia | | | | | | |
| City of Langford | Own / Operate | 30,000 | | | X | |
| Sun Rivers Community | Own / Operate | 6,000 | | X | X | |
| Riverport Residential & Entertainment | Own / Operate | 2,500 | | | X | X |
| Panorama Mountain Village | Own / Operate | 1,500 | | X | X | X |
| Cultus Country | Own / Operate | 250 | | X | X | X |
| Lindal Beach | Own / Operate | 250 | | X | | |
| Sage Meadows | Own / Operate | 100 | | X | X | X |
| Kicking Horse Ski Resort | Operate | 1,000 | | X | X | X |
| Fairmont Hot Springs | Operate | 800 | | X | X | X |
| Furry Creek & Oliver's Landing | Operate | 750 | | X | X | X |
| Fort Steele | Operate | 500 | | X | | |
| Dockside Green Residential Community | Operate | 500 | | X | X | X |
| Britannia Beach Community | Operate | 500 | X | X | X | X |
| Gateway Lakeview Estates | Operate | 250 | X | X | X | X |
| La Casa | Operate | 200 | | X | X | X |
| Highlands | Operate | 100 | | X | X | X |
| Terravista | Operate | 100 | | X | X | X |
| Cottages at Copper Point | Operate | 100 | | X | X | |
| Crooked Tree | Operate | 100 | X | X | | |
| Aspens | Operate | 100 | | | X | X |
| Beaches | Operate | 100 | | | X | X |
| Rockcliffe | Operate | 50 | | X | | |
| Quayside Village Co-housing, NV | Operate | 50 | | X | X | X |
| Kamloops Indian Band | Supervise / Startup / Train | 500 | | | X | |
| City of Tofino | Supervise | 1,500 | X | X | | |
| Kent Prison | Supervise | 1,000 | | | X | X |
| Caravans West, Scotch Cr. | Supervise | 500 | | | X | X |
| Spirites Reach | Supervise | 100 | | | X | X |

| Location / System Name | Scope of Services | Pop. (Approx) | Water Treatment | Water Distribution | Wastewater Collection | Wastewater Treatment |
|---|-------------------|---------------|-----------------|--------------------|-----------------------|----------------------|
| Alberta | | | | | | |
| Conx Utilities (Foothills Water) | Own / Operate | 5,000 | X | X | X | X |
| Rocky View County - Langdon | Operate | 3,500 | | | X | X |
| Nexen, Ft. McMurray | Operate | 3,000 | X | X | X | X |
| Rocky View County - Elbow Valley Sewer Line | Operate | 2,000 | | | X | |
| Rocky View County - East Balzac | Operate | 1,200 | X | X | | |
| Alberta Tourism Parks & Recreation - Bow Valley Admin | Operate | 1,600 | X | X | | |
| Alberta Tourism Parks & Recreation - Bow Valley South | Operate | 100 | X | X | X | |
| Alberta Tourism Parks & Recreation - Elbow Ranger Station | Operate | 100 | | | X | X |
| Alberta Tourism Parks & Recreation - Fire Base | Operate | 100 | X | X | | |
| Alberta Tourism Parks & Recreation - McLean Creek | Operate | 100 | X | X | X | |
| Alberta Tourism Parks & Recreation - Ghost Reservoir | Operate | 50 | X | X | | |
| Alberta Tourism Parks & Recreation - Highwood House | Operate | 25 | X | X | | |
| Alberta Tourism Parks & Recreation - Little Elbow | Operate | 25 | X | X | | |
| Alberta Tourism Parks & Recreation - Sheep Ranger & Sandy | Operate | 25 | X | X | | |
| Elkana Residents | Operate | 1,000 | X | X | | |
| Emerald Bay | Operate | 1,000 | X | X | X | X |
| Poplar View Water Co-op | Operate | 1,000 | X | X | | |
| Twelve Mile Coulee | Operate | 1,000 | X | X | | |
| Glencoe Golf & Country | Operate | 700 | X | X | X | |
| Wintergreen Woods | Operate | 500 | X | X | | |
| Bearspaw Ridge | Operate | 400 | | X | | |
| Lynx Ridge | Operate | 400 | | | X | |
| Tsuu Tina Nation | Operate | 400 | X | | X | |
| The Slopes | Operate | 300 | | X | | |
| Jumping Pound | Operate | 300 | X | X | | X |
| Elbow Springs Golf Club | Operate | 200 | X | X | | |
| Our Lady Queen of Peace | Operate | 200 | X | X | | |
| Muirfield | Operate | 150 | X | X | X | |
| Windmill Water Co-Op | Operate | 150 | X | X | | |
| Elbow Valley Utilities Corp | Operate | 100 | | X | | |
| Georgian Del Rich | Operate | 100 | X | X | | |
| Square Butte Ranches | Operate | 100 | X | X | | |
| Springate | Operate | 100 | X | X | | |
| Deerhaven | Operate | 50 | X | X | | |
| Tower Ridge Utility | Operate | 50 | X | X | | |
| Cullen Creek | Operate | 50 | X | X | | |
| Poplar View Utility Corp | Operate | 50 | | X | | |
| Serenity Estates | Operate | 50 | X | X | | |
| Springshire | Operate | 50 | X | X | | |
| Wheatland Water | Operate | 50 | X | X | | |
| Mountain View | Operate | 25 | X | X | | |

| Location / System Name | Scope of Services | Pop. (Approx) | Water Treatment | Water Distribution | Wastewater Collection | Wastewater Treatment |
|---|-------------------------|----------------|-----------------|--------------------|-----------------------|----------------------|
| Ontario | | | | | | |
| Chatham-Kent (32 systems) | Joint Venture | 110,000 | | | X | X |
| Picton | Operate | 7,500 | X | X | | |
| Walpole | Joint venture | 2,250 | X | X | | |
| Newbury WPCP | Joint venture | 400 | | | X | X |
| Territories | | | | | | |
| Dawson City, Yukon Government | Build / Operate | 3,500 | | | | X |
| Government of the Northwest Territories | Build / Startup / Train | 2,700 | X | X | | |
| Total Canada | | 201,050 | 40 | 59 | 37 | 28 |
| Total North America | | 358,050 | 43 | 64 | 41 | 31 |

EXHIBIT "D"

Affidavit of Mailing - Government Entities

(To be late filed)

EXHIBIT "E"

Affidavit of Mailing - Customers

(To be late filed)

EXHIBIT "F"

Affidavit of Publication

(To be late filed)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Application of UTILITIES
INC., for authority to transfer
majority organizational control
of HYDRO STAR, LLC to CORIX UTILITIES
(ILLINOIS), LLC

Docket No. _____

PETITION FOR VARIANCE OR WAIVER OF
RULES 25-30.037(3)(i), (j) and (k), and 25-30.030(4)(c),(5), (6) and (7),
FLORIDA ADMINISTRATIVE CODE

UTILITIES, INC., ("Petitioner") by and through its undersigned attorneys and pursuant to Section 120.542, Florida Statutes, hereby petitions the Florida Public Service Commission for a variance or waiver of certain requirements of Rules 25-30.030 and 25-30.037, Florida Administrative Code, as specifically identified below. In support of this Petition, Utilities, Inc., asserts the following:

1. The name and address of the Petitioner is:

Utilities, Inc.
2335 Sanders Road
Northbrook, IL 60062-6196
Telephone: (847) 498-6440

2. The name, address and telephone number of the person to contact concerning this

Application is:

Martin S. Friedman, Esquire
Sundstrom, Friedman & Fumero, LLP
766 North Sun Drive, Suite 4030
Lake Mary, Florida 32746
Telephone: (407) 830-6331
mfriedman@sfflaw.com

3. The transfer of majority organizational control of the Petitioner will be accomplished by a transfer of all of the membership interests of Hydro Star, LLC, which owns all of the issued and outstanding shares of the stock of Hydro Star Holdings Corp., which, in turn,

owns all of the issued and outstanding shares of the stock of the Petitioner. The Petitioner's utility operations are conducted through its subsidiary companies, thus the utility operations will not be affected by the transfer. Because the transfer will not affect utility operations, a number of provisions of the Florida Administrative Code are inapplicable. Under virtually identical circumstances, the Commission approved waiver of the same Rules in Order No. PSC-05-1155-PAA-WS.

4. The requested waiver or variance is needed because the statutory time period to consider a waiver or variance, when added to the time within which the Commission has to act upon a transfer of majority organizational control may delay the closing on the transfer. Regulatory approvals are required for over 50 subsidiary operating companies in 15 states and it is unreasonable for the Petitioner to expend the necessary funds in other regulatory jurisdictions before proceeding in Florida. The emergency and immediate and adverse result unless the variance or waiver is granted is similar to that which this Commission found as sufficient in Order No. PSC-99-2422-PAA-WS, and more recently in Order No. PSC-05-1155-PAA-WS.

5. Rule 25-30.030(4)(c), Florida Administrative Code.

This provision requires that the notice of the transfer application include "a description using township, range and section reference" of the territory being transferred. The territory which is affected by this proceeding is not certificated to the Petitioner, but is certificated to 11 jurisdictional subsidiaries operating in 9 Florida counties. The Petitioner requests that it be allowed to send an identical one page notice to all of the customers of each subsidiary without reference to a territory description. The proposed notice would be substantially in the form attached hereto. This waiver or variance of this Rule is justified since this is a proceeding for the approval of the transfer of the membership interests of the parent company of the utility

subsidiaries regulated by this Commission. The customer knows the name of the utility subsidiary providing service which is the important fact, not a lengthy legal description. The purpose of the underlying rule is to provide customers with notice of a point of entry to protest a proposed transfer. This is accomplished by the attached notice. This Commission approved similar notices in Order Nos. PSC-99-2422-PAA-WS and PSC-05-1155-PAA-WS.

6. Rule 25-30.030(5), (6) and (7), Florida Administrative Code.

Further, in order for the Petitioner to go forward with the filing of its Application pending approval of a waiver or variance, the Petitioner requests a waiver or variance from the time requirements of Rule 25-30.030(5), (6) and (7), Florida Administrative Code. The Petitioner requests it be allowed to mail the notices within ten (10) days of the Commission's approval of the Notice.

7. Rule 25-30.037(3)(i), Florida Administrative Code.

This Rule requires an applicant for approval of the transfer of majority organizational control to file evidence that it owns the land upon which the treatment plants are located. Since the proposed transfer does not affect the title to real estate, providing this documentation will serve no useful purpose. Evidence of ownership of such land has been provided in connection with various proceedings by each of the subsidiaries.

8. Rule 25-30.037(3)(j), Florida Administrative Code.

An applicant for approval of a change in majority organizational control pursuant to this Rule must file the original and two copies of tariff sheets reflecting the change in ownership. Because this transaction involves the transfer of ownership of the membership interests of the ultimate parent company, not of the Petitioner, which is the owner of the regulated utilities, there are no tariff changes necessary and refiling existing tariffs would serve no useful purpose.

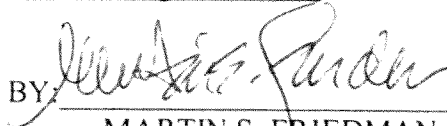
9. Rule 25-30.037(3)(k), Florida Administrative Code.

This Rule requires a utility seeking approval of the change in majority organizational control to file the Certificates. The Petitioner does not hold any Certificates. Since there are no changes in ownership of the regulated subsidiaries as a result of the transfer of the shares of the Petitioner, filing the Certificates would serve no useful purpose. Further, the Commission no longer issues Certificates to water and wastewater utilities.

WHEREFORE, UTILITIES, INC., requests this Commission, on an emergency basis pursuant to Rule 28-10.004(2), Florida Administrative Code, grant a waiver or variance of the provisions of Rules 25-30.030(4)(c), (5), (6) and (7), and 25-30.037(3)(l), (j) and (k), Florida Administrative Code, and permit it to comply with the requirements of Rule 25-30.030(5), (6) and (7), Florida Administrative Code by mailing the required notices within ten (10) days of the Commission's approval of the form of the Notice.

Respectfully submitted on this 12th day of
April, 2012, by:

SUNDSTROM, FRIEDMAN & FUMERO, LLP
766 North Sun Drive, Suite. 4030
Lake Mary, FL 32746
PHONE: (407) 830-6331
FAX: (407) 830-8522
mfriedman@sfflaw.com

BY: 
MARTIN S. FRIEDMAN
For the Firm

NOTICE OF APPLICATION FOR A TRANSFER
OF MAJORITY ORGANIZATIONAL CONTROL
LEGAL NOTICE

Notice is hereby given on April 13, 2012, pursuant to Section 367.071, Florida Statutes, of the Application for Transfer of Majority Organizational Control of Utilities, Inc., to Corix Utilities (Illinois), LLC. THIS APPLICATION IS NOT A REQUEST TO CHANGE THE RATES OF ANY OF THE BELOW LISTED SUBSIDIARIES. The following are the wholly owned subsidiaries of Utilities, Inc., which are certificated by the Florida Public Service Commission and their counties of operation:

- Cypress Lakes Utilities, Inc.....Polk
- Labrador Utilities, Inc.Pasco
- Lake Placid Utilities, Inc. Highlands
- Lake Utility Services, Inc..... Lake
- Mid-County Services, Inc. Pinellas
- Sanlando Utilities Corporation..... Seminole
- Tierra Verde Utilities, Inc. Pinellas
- Utilities, Inc. of Eagle Ridge..... Lee
- Utilities, Inc. of Florida Seminole, Orange,
Pasco, Marion, Pinellas
- Utilities, Inc. of Longwood Seminole
- Utilities, Inc. of Pennbrooke Lake

Any objection to the said application must be made in writing and filed within thirty (30) days from this date to the Commission Clerk, Office of the Commission Clerk, Florida Public Service Commission, 2540 Shumard Oaks Boulevard, Tallahassee, FL 32399-0850. A copy of said objection may be mailed to Sundstrom, Friedman & Fumero, LLP, 766 North Sun Drive, Suite, 4030, Lake Mary, Florida, 32746.

UTILITIES, INC.
2335 Sanders Road
Northbrook, IL 60062-6196

SUNDSTROM,
FRIEDMAN & FUMERO, LLP

Attorneys | Counselors



766 NORTH SUN DRIVE
SUITE 4030
LAKE MARY, FLORIDA 32746

PHONE (407) 830-6331
FAX (407) 830-8522

www.sfflaw.com

April 12, 2012

Roger Davis, Financial Consultant
Charlotte County Budget and Administrative Services Dept.
18500 Murdock Circle
Port Charlotte FL 33948-1068

RE: Utilities, Inc. of Sandalhaven
Our File No.: 30057.204

Dear Mr. Davis:

As you may recall, Utilities Inc. of Sandalhaven, which holds a Certificate from Charlotte County to provide wastewater service, is wholly owned by Utilities, Inc., which is wholly owned by Hydro Star Holdings Corp. That corporation is owned by Hydro Star, LLC, whose members are four investment funds. This correspondence is being sent as a courtesy to advise you that those four investment funds are conveying their membership interests to Corix Utilities (Illinois), LLC.

Although the sale of the membership interests is not a transfer of a certificate pursuant to the County Code, I did want to introduce you to Corix by way of the enclosed brochure.

Utilities Inc. of Sandalhaven will continue to be managed and operated by the same officers and personnel that currently run its operations. Utilities Inc. of Sandalhaven will continue to receive the same support from Utilities, Inc., after the closing of the proposed transaction as it has previously received. This transaction has no impact on customer rates.

Very truly yours,

MARTIN S. FRIEDMAN
For the Firm

MSF/mp
Enclosure

cc: Martha Young Burton, Esq., Assistant County Attorney (w/enc.) (via e-mail)
Steven Lubertozzi, Exec. Director of Regulatory Accounting & Affairs (w/enc.) (via e-mail)



The Corix Group

March, 2012

CORIX

Building a World of
Sustainable Communities

TABLE OF CONTENTS

| | |
|--|----------|
| 1. CORIX OVERVIEW..... | 2 |
| Corporate Governance | 2 |
| Financial Capacity | 2 |
| Human Resources..... | 2 |
| Regulatory Experience | 3 |
| Community Involvement..... | 3 |
| Operation Locations | 3 |
| Corix Utilities..... | 4 |
| Utility Services | 4 |
| Utility Products..... | 4 |
| 2. CORIX UTILITY SYSTEMS | 4 |
| Fairbanks Sewer & Water Inc..... | 4 |
| Doyon Utilities LLC | 5 |
| Corix Utilities (Oklahoma) Inc..... | 5 |
| Other Multi-Utility Businesses | 6 |
| Summary of Corix Water and Sewer Projects..... | 7 |

1. CORIX OVERVIEW

Corix is a recognized leader in the implementation of sustainable water, wastewater and energy infrastructure solutions for small to medium-sized communities across North America. Corix designs, supplies, builds, installs, finances and manages utility infrastructure on behalf of municipal, institutional, military and private-sector customers. Corix currently has over 2,200 employees dedicated to providing high quality utilities, services and products.

CORPORATE GOVERNANCE

Corix is a privately held corporation and is principally owned by British Columbia Investment Management Corporation, CAI Capital Partners and Corix employees. Corix is governed by a public-style Board of Directors, currently with seven members representing shareholders and management.

Corix is committed to excellence and effectiveness in financial and risk management through its comprehensive corporate governance framework. Key components include:

- Board of Directors
- Audit Committee
- Human Resources Committee
- Operating Committee
- Health, Safety and Environment Committee
- Enterprise Risk Management Framework
- Internal Audit Department
- Disaster Recovery and Emergency Response Testing and Simulations
- Corporate Scorecard
- Whistleblower Program
- Regular Legislative Review of Regulations Within Jurisdictions of Operations

FINANCIAL CAPACITY

Corix has over \$750 million of assets under management and a strong track record of generating stable revenues and operating cash flows. As an institutionally-owned private utility company, Corix is able to finance its equity needs without accessing the capital markets, significantly reducing the time required and the associated financing risk usually associated with lengthy transaction timelines.

Over the past three years, under challenging market conditions, Corix and its lenders have completed five syndicated bank financings totaling almost \$450 million in support of multi-utility asset acquisitions. Corix carries sufficient debt capacity under its general credit facilities to fund ongoing capital plans for all of its operations and ensures that sufficient credit capacity is maintained to accommodate unexpected capital expenditure needs in its utility operations.

Given the solid support from its owners and lenders, Corix has the financial capacity required to for all future capital expenditures of Utilities, Inc.

HUMAN RESOURCES

Corix has extensive direct and relevant experience in successfully transitioning operating utilities into the Corix Group. Since 2008, Corix has purchased and integrated several unique utility systems valued at over \$500 million in which we welcomed over 230 new employees to Corix. The Utilities, Inc. acquisition will add over 400 additional employees in 15 states.

Our experience consistently proves that retention of the incumbent staff is critical for the effective transfer of all institutional knowledge required to truly understand the technical and operational history of a given utility system. In a recent University of Oklahoma acquisition we offered employment to all 32 existing

employees. In our purchase of U.S. military assets at three military bases in Alaska, we also hired the existing staff, and with growth of the system and creation of new positions we currently have 130 employees serving the three military bases.

REGULATORY EXPERIENCE

As an experienced owner of regulated assets, Corix understands the importance of maintaining strong regulatory relationships as well as the need to structure transactions that provide appropriate assurances to regulators and customers. Corix has significant in-house experience in developing successful applications before local and state regulatory authorities in a variety of jurisdictions and augments this expertise with local experts who are well-acquainted with local legislation, regulations and practices.

Corix has demonstrated its ability to successfully acquire, manage and operate utility businesses throughout North America based on its track record of operational expertise, health and safety, customer service and community involvement.

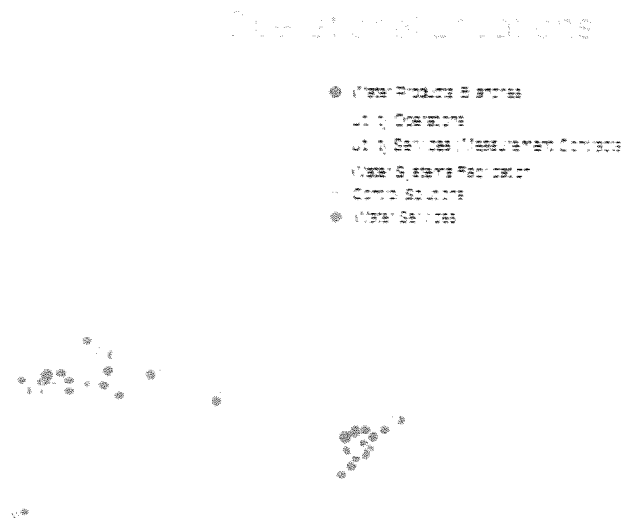
COMMUNITY INVOLVEMENT

We believe a strong community will support a strong and reliable utility. Corix and its employees support local charities and community groups in every region in which we operate. We also believe in supporting environmental and sustainability initiatives that align well with our core businesses.

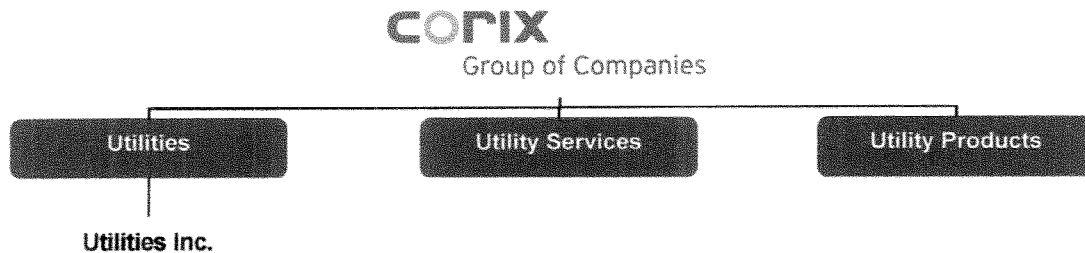
OPERATION LOCATIONS

Corix has achieved rapid growth in recent years through both internal business development and acquisitions. Today, Corix has over \$750 of assets under management and over 2,200 employees operating in 85 locations across North America. The Corix senior management team averages in excess of 20 years of utility industry experience with a successful track record of operations and growth across the Corix platform.

The following map illustrates Corix's current operating locations.



Corix has a unique "economies of scope" business model that integrates three distinct but highly complementary lines of business: Utilities, Utility Services and Utility Products.



CORIX UTILITIES

Unlike traditional single service utilities, Corix is focused on providing utility ownership and management across multiple utilities at the local level. Utilities under management by Corix include water treatment and distribution, wastewater collection and treatment, thermal generation and combined heat & power (CHP) plants, natural gas and electricity distribution, and chilled water plants and distribution systems. Corix facilitates seamless integration of the systems through its extensive technical and operating expertise and common corporate governance standards with respect to overall utility management, capital planning, health and safety, customer care, information technology, legal services and rate regulation.

UTILITY SERVICES

Corix provides measurement and metering services to municipalities, utilities, and cooperatives throughout North America, with its main operational centre located in Wauwatosa, Wisconsin. The services provided include automated meter reading deployment, maintenance and support, meter changes and retrofits, contract meter reading, code compliance, utility field installation services, and other special field services. Corix also provides turnkey design-build water systems and fire hydrant leak detection, maintenance, and repair.

UTILITY PRODUCTS

Corix operates 38 utility products branches across North America, distributing a full line of pipes, valves, meters, pumps, irrigation equipment, service, and repair products and other components that are used to transport clean water and wastewater. Corix also serves the oil, gas, and industrial products sector by providing measurement and control equipment.

2. CORIX UTILITY SYSTEMS

Corix, as a multi-utility service provider, owns and operates a variety of water and sewer systems in addition to thermal energy and electric power assets. A summary of several of the notable utility operations is provided below.

FAIRBANKS SEWER & WATER INC.

Corix owns 100% of Fairbanks Sewer and Water Inc. ("FSW"). With assets of approximately \$115 million, FSW provides water treatment and distribution, wastewater collection and treatment, and customer care services to the 80,000 residents of the Greater Fairbanks area. FSW was created through the

privatization of the utility systems previously owned by the City of Fairbanks, Alaska. FSW then successfully transitioned these systems from under-funded and deteriorated municipal assets to a private utility with rates subject to regulation by the Regulatory Commission of Alaska. The quality, sustainability and service levels have shown consistent improvement since that time and FSW continues to ensure that the systems meet all regulatory requirements, are upgraded to meet new requirements where necessary, and have the capacity to address the population growth in Fairbanks.

DOYON UTILITIES LLC

Corix owns 50% of Doyon Utilities LLC, which in turn owns 12 utilities serving a total population of approximately 50,000 on three U.S. military bases in Alaska. The assets were transferred to private ownership by the U.S. government under a military privatization transaction.

The water and sewer infrastructure includes three potable water treatment plants, 31 wells, a dam and surface water reservoir, 85 miles of associated water distribution systems, 57 miles of associated sewer collection systems and lift stations, and a sewer treatment plant. The full scope of the operation also includes two district energy systems, electric distribution and natural gas distribution. The operation currently has 130 employees managing these mission critical utilities, including 20 engineering and construction project managers engaged to plan, engineer and manage approximately 500 construction projects scheduled for completion over the initial five years.

Doyon was selected for the transaction under a competitive bid process as the proponent with the best pricing, which was also significantly lower than the military's status quo "Should-Cost" forecast. The original transaction included approximately \$200 million of legacy assets and we have invested an additional \$150 million to date in planned upgrades and renewals and replacements. It is expected that total capital upgrades and R&R investments will be as high as \$1 billion over the term of the 50-year contract.

This transaction is the largest and most complex utility privatization action ever undertaken by the U.S. Military to date, both in terms of size and scope. Some of the unique features of this operation include:

- Multi-utility operations at each of the three military bases.
- Locations in both the interior and coastal areas of Alaska.
- On-site power generation at two of the installations and construction of a base-load landfill gas-fired renewable energy power plant.
- Ownership and operation of the Ship Creek Dam and reservoir and associated 8 MGD water treatment plant.
- Direct ownership of the sewer plant, which was previously a federally owned treatment works. Upon conversion to private ownership we were able to maintain the exemption related to hazardous waste treatment standards imposed on privately owned treatment works.
- Transition over a 10 month period including construction of certain key facilities, acquisition of fleet vehicles and transition of staff.
- The 12 utilities are regulated by the Regulatory Commission of Alaska and monthly charges to the federal government are based on a cost of service utility model.

CORIX UTILITIES (OKLAHOMA) INC.

Through a nation-wide solicitation process, Corix was selected by the University of Oklahoma to purchase a 50 year concession to invest in and design, build, operate and maintain six utility systems serving a student population of approximately 30,000 at its campus in Norman, Oklahoma. This multi-utility operation includes water and sewer systems, a central heat and power plant, district energy system, chilled water production and distribution system, and electrical and natural gas distribution systems. The initial acquisition price was \$118 million and the total 50-year capital investment is estimated at over \$600

million. The University's incumbent employees were hired by Corix as part of the transition. The concession agreement is structured to mirror regulated utilities in Oklahoma using typical cost of service rate-setting principles. The benefits to the University included monetization of non-core utility assets and reallocation of the funds to the core education and research missions.

OTHER MULTI-UTILITY BUSINESSES

In Canada, Corix owns and/or operates 164 utility systems serving approximately 200,000 residents in over 100 small to medium sized communities and resort areas. The system registry for Canada includes 40 water treatment plants, 59 water distribution systems, 28 wastewater treatment facilities, and 37 wastewater collection systems. Corix also provides energy and other services to a number of these communities.

Throughout its history, Corix has designed, constructed and operated utility systems as part of complex water and sewer projects as well as stand-alone systems, working closely with communities to develop the solutions that best address their needs. The utilities are either regulated by provincial authorities or operate under contracts structured according to cost of service principles.

SUMMARY OF CORIX WATER AND SEWER PROJECTS

Corix currently provides water and/or sewer service an estimated population of over 350,000 people. The following table summarizes the water and sewer projects currently operated by Corix across North America.

| Location / System Name | Scope of Services | Pop. (Approx) | Water Treatment | Water Distribution | Wastewater Collection | Wastewater Treatment |
|--|-----------------------------|----------------|-----------------|--------------------|-----------------------|----------------------|
| Alaska | | | | | | |
| City of Fairbanks | Own / Operate | 80,000 | X | X | X | X |
| U.S. Army - Fort Wainwright | Own / Operate (50%) | 25,000 | X | X | X | |
| U.S. Air Force - Joint Base Elmendorf Richardson | Own / Operate (50%) | 20,000 | X | X | X | |
| U.S. Army - Fort Greely | Own / Operate (50%) | 2,000 | | X | X | X |
| Oklahoma | | | | | | |
| Oklahoma University | Own / Operate | 30,000 | | X | | X |
| Total U.S. | | 157,000 | 3 | 5 | 4 | 3 |
| British Columbia | | | | | | |
| City of Langford | Own / Operate | 30,000 | | | X | |
| Sun Rivers Community | Own / Operate | 6,000 | | X | X | |
| Riverport Residential & Entertainment | Own / Operate | 2,500 | | | X | X |
| Panorama Mountain Village | Own / Operate | 1,500 | | X | X | X |
| Cultus Country | Own / Operate | 250 | | X | X | X |
| Lindal Beach | Own / Operate | 250 | | X | | |
| Sage Meadows | Own / Operate | 100 | | X | X | X |
| Kicking Horse Ski Resort | Operate | 1,000 | | X | X | X |
| Fairmont Hot Springs | Operate | 800 | | X | X | X |
| Furry Creek & Oliver's Landing | Operate | 750 | | X | X | X |
| Fort Steele | Operate | 500 | | X | | |
| Dockside Green Residential Community | Operate | 500 | | X | X | X |
| Britannia Beach Community | Operate | 500 | X | X | X | X |
| Gateway Lakeview Estates | Operate | 250 | X | X | X | X |
| La Casa | Operate | 200 | | X | X | X |
| Highlands | Operate | 100 | | X | X | X |
| Terravista | Operate | 100 | | X | X | X |
| Cottages at Copper Point | Operate | 100 | | X | X | |
| Crooked Tree | Operate | 100 | X | X | | |
| Aspens | Operate | 100 | | | X | X |
| Beaches | Operate | 100 | | | X | X |
| Rockcliffe | Operate | 50 | | X | | |
| Quayside Village Co-housing, NV | Operate | 50 | | X | X | X |
| Kamloops Indian Band | Supervise / Startup / Train | 500 | | | X | |
| City of Tofino | Supervise | 1,500 | X | X | | |
| Kent Prison | Supervise | 1,000 | | | X | X |
| Caravans West, Scotch Cr. | Supervise | 500 | | | X | X |
| Sprites Reach | Supervise | 100 | | | X | X |

| Location / System Name | Scope of Services | Pop. (Approx) | Water Treatment | Water Distribution | Wastewater Collection | Wastewater Treatment |
|---|-------------------|---------------|-----------------|--------------------|-----------------------|----------------------|
| Alberta | | | | | | |
| Corix Utilities (Foothills Water) | Own / Operate | 5,000 | X | X | X | X |
| Rocky View County - Langdon | Operate | 3,500 | | | X | X |
| Nexen, Ft. McMurray | Operate | 3,000 | X | X | X | X |
| Rocky View County - Elbow Valley Sewer Line | Operate | 2,000 | | | X | |
| Rocky View County - East Balzac | Operate | 1,200 | X | X | | |
| Alberta Tourism Parks & Recreation - Bow Valley Admin | Operate | 1,600 | X | X | | |
| Alberta Tourism Parks & Recreation - Bow Valley South | Operate | 100 | X | X | X | |
| Alberta Tourism Parks & Recreation - Elbow Ranger Station | Operate | 100 | | | X | X |
| Alberta Tourism Parks & Recreation - Fire Base | Operate | 100 | X | X | | |
| Alberta Tourism Parks & Recreation - McLean Creek | Operate | 100 | X | X | X | |
| Alberta Tourism Parks & Recreation - Ghost Reservoir | Operate | 50 | X | X | | |
| Alberta Tourism Parks & Recreation - Highwood House | Operate | 25 | X | X | | |
| Alberta Tourism Parks & Recreation - Little Elbow | Operate | 25 | X | X | | |
| Alberta Tourism Parks & Recreation - Sheep Ranger & Sandy | Operate | 25 | X | X | | |
| Elkana Residents | Operate | 1,000 | X | X | | |
| Emerald Bay | Operate | 1,000 | X | X | X | X |
| Poplar View Water Co-op | Operate | 1,000 | X | X | | |
| Twelve Mile Coulee | Operate | 1,000 | X | X | | |
| Glencoe Golf & Country | Operate | 700 | X | X | X | |
| Wintergreen Woods | Operate | 500 | X | X | | |
| Bears paw Ridge | Operate | 400 | | X | | |
| Lynx Ridge | Operate | 400 | | | X | |
| Tsuu Tina Nation | Operate | 400 | X | | X | |
| The Slopes | Operate | 300 | | X | | |
| Jumping Pound | Operate | 300 | X | X | | X |
| Elbow Springs Golf Club | Operate | 200 | X | X | | |
| Our Lady Queen of Peace | Operate | 200 | X | X | | |
| Muirfield | Operate | 150 | X | X | X | |
| Windmill Water Co-Op | Operate | 150 | X | X | | |
| Elbow Valley Utilities Corp | Operate | 100 | | X | | |
| Georgian Del Rich | Operate | 100 | X | X | | |
| Square Butte Ranches | Operate | 100 | X | X | | |
| Springgate | Operate | 100 | X | X | | |
| Deerhaven | Operate | 50 | X | X | | |
| Tower Ridge Utility | Operate | 50 | X | X | | |
| Cullen Creek | Operate | 50 | X | X | | |
| Poplar View Utility Corp | Operate | 50 | | X | | |
| Serenity Estates | Operate | 50 | X | X | | |
| Springshire | Operate | 50 | X | X | | |
| Wheatland Water | Operate | 50 | X | X | | |
| Mountain View | Operate | 25 | X | X | | |

| Location / System Name | Scope of Services | Pop. (Approx) | Water Treatment | Water Distribution | Wastewater Collection | Wastewater Treatment |
|---|-------------------------|----------------|-----------------|--------------------|-----------------------|----------------------|
| Ontario | | | | | | |
| Chatham-Kent (32 systems) | Joint Venture | 110,000 | | | X | X |
| Picton | Operate | 7,500 | X | X | | |
| Walpole | Joint venture | 2,250 | X | X | | |
| Newbury WPCP | Joint venture | 400 | | | X | X |
| Territories | | | | | | |
| Dawson City, Yukon Government | Build / Operate | 3,500 | | | | X |
| Government of the Northwest Territories | Build / Startup / Train | 2,700 | X | X | | |
| Total Canada | | 201,050 | 40 | 59 | 37 | 28 |
| Total North America | | 358,050 | 43 | 64 | 41 | 31 |

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

| | | |
|-----------------------------------|---|----------------|
| Corix Utilities (Illinois) LLC |) | |
| Hydro Star, LLC |) | |
| Utilities, Inc. |) | |
| Each of the 23 Illinois Operating |) | Docket No. 12- |
| Subsidiaries of Utilities, Inc. |) | |
| |) | |
| Joint Application For Approval of |) | |
| Proposed Reorganization |) | |

**JOINT APPLICATION
FOR APPROVAL OF THE CONSUMMATION OF THE TRANSACTIONS
CONTEMPLATED BY THE PURCHASE AND SALE AGREEMENT BETWEEN
CORIX UTILITIES (ILLINOIS) LLC AND THE OWNERS OF HYDRO STAR, LLC**

Pursuant to Sections 5/7-204 and 7-204A of the Illinois Public Utilities Act, 220 ILCS 5/1-101 *et seq.* (the “Act”), Corix Utilities (Illinois) LLC (“CUI”); Hydro Star, LLC (“HS”); Utilities, Inc. (“UI”); and UI’s 23 Illinois operating subsidiaries (“UI Operating Subsidiaries”) (collectively “Applicants”), by this Joint Application request that the Illinois Commerce Commission (“Commission”) approve the consummation of the transactions contemplated by the Purchase and Sale Agreement, dated as of February 17, 2012, between Highstar Capital Fund II, L.P. and certain of its affiliates and co-investors (“Highstar”) and CUI (“Agreement”). The consummation of the transactions contemplated by the Agreement will result in CUI acquiring control of HS. HS, through its wholly owned subsidiary Hydro Star Holdings Corporation (“HSHC”), is the sole shareholder 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. CUI is a Delaware limited liability company, all of the outstanding membership interests of which are held indirectly by Corix Infrastructure Inc. (“CII”). The primary owners of CII are certain affiliates of British Columbia Investment Management Corporation and CAI Capital Management Inc. British Columbia Investment Management Corporation manages over \$90 billion in a globally diversified portfolio of investments including a significant portion of pension funds. CAI Capital Management Inc. is a private equity fund with over \$1.3 billion in North American investments.

2. HS is a limited liability company created and existing under the laws of the State of Delaware. HS is currently owned by Highstar. Highstar Capital Fund II, L.P. is a limited partnership created and existing under the laws of the State of Delaware.

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 15 states. UI is a wholly-owned subsidiary of HSHC, which in turn is a wholly-owned subsidiary of HS. UI has been involved in the water and sewer industry for over 40 years. UI currently has 23 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 CUI and Highstar concerning the acquisition of HS by CUI (“Transaction”), CUI and Highstar entered into the Agreement.

5. Pursuant to and in accordance with the terms of the Agreement, 100% of the membership interests in HS will be acquired by CUI. Following consummation of the transaction, CII may cause CUI to merge with and into HS, thereby eliminating one of the intermediate holding companies through which CUI will hold its interest in UI. As a result of the

Transaction, the separate corporate existence of UI shall continue as will the separate corporate existence of each of the UI Operating Subsidiaries.

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.

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 owner of the membership interests of HS. 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 23 UI Operating Subsidiaries, and therefore, under 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. CUI’s indirect ownership of the UI Operating Subsidiaries will maintain the reliability, efficiency and safety of service provided to the customers in the UI Operating Subsidiaries’ service territories. In addition, the UI Operating Subsidiaries will benefit from access to the expertise and substantial financial resources of CII and its affiliates.

10. CUI, like UI, is committed to providing adequate, efficient, safe and least-cost service to its customers. UI Operating Subsidiaries’ customers will continue to receive oversight from a seasoned management team and necessary funding to keep UI Operating Subsidiaries in

compliance. 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. 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 markets on reasonable terms.

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. CUI and its affiliates have no existing regulated water and/or sewer operations in Illinois. 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 it is anticipated 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 customers in the UI Operating Subsidiaries subsequent rate cases.

17. Applicants do not propose to allocate Transaction costs to the UI Operating Subsidiaries for rate-making purposes and all costs incurred related to the transaction will be booked to Miscellaneous Non-Utility Expense.

The Water Service Corporation Agreement

18. With the Commission's approval, each of the UI Operating Subsidiaries has entered into a contract with Water Service Corporation, 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:¹

¹A majority of the 23 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, Applicants will supplement this filing with such information or documents.

- a) A list of the UI Operating Subsidiaries (Exhibit A);
- b) Copies of the Articles of Incorporation of UI and the Certificate of Formation of HS and CUI (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) UI estimates the costs of the Transaction to be approximately \$8,600,000;
- e) Forecasts of the capital requirements for the UI Operating Subsidiaries that currently plan to undertake capital projects (Exhibit D); and
- f) The 2010 and 2011 financial statements of Corix Infrastructure Inc. (Exhibit E).

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.²

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;

² Water Services Corporation ("WSC"), an affiliated interest of the UI Operating Subsidiaries, provides information to an unaffiliated provider of repair services pursuant to an existing agreement. WSC obtains the information from Illinois customers in connection with the billing services WSC is authorized to provide its affiliates.

- e) the UI Operating Subsidiaries will remain subject to all applicable laws, regulations, rules, decisions and policies governing 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:

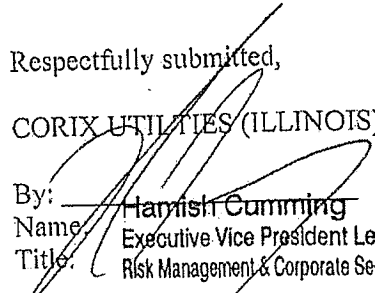
(1) Approving and authorizing the Transaction on the terms described herein;

and

(2) 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,

CORIX UTILITIES (ILLINOIS) LLC

By: 
Name: Harish Cumming
Title: Executive Vice President Legal &
Risk Management & Corporate Secretary

HYDRO STAR, LLC

By: _____
Name:
Title:

UTILITIES, INC.

By: _____
Name: Lisa Sparrow
Title: President

UI OPERATING SUBSIDIARIES

By: _____
Name: Lisa Sparrow
Title: President

Dated: April 11, 2012

Of Counsel:
W. Michael Seidel
HOWARD & HOWARD ATTORNEYS PLLC
200 South Michigan Avenue
Suite 1100
Chicago, IL 60604-2461
(312) 372-4000
mseidel@howardandhoward.com

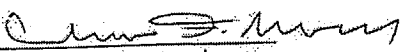
Attorneys for Utilities, Inc. and each of the Illinois Operating Subsidiaries of Utilities, Inc.

Respectfully submitted,

CORIX UTILITIES (ILLINOIS) LLC

By: _____
Name:
Title:

HYDRO STAR, LLC

By: 
Name: Andrew F. Newlin
Title: Executive Vice President

UTILITIES, INC.

By: _____
Name: Lisa Sparrow
Title: President

UI OPERATING SUBSIDIARIES

By: _____
Name: Lisa Sparrow
Title: President

Dated: April 11, 2012

Of Counsel:
W. Michael Seidel
HOWARD & HOWARD ATTORNEYS PLLC
200 South Michigan Avenue
Suite 1100
Chicago, IL 60604-2461
(312) 372-4000
mseidel@howardandhoward.com

Attorneys for Utilities, Inc. and each of the Illinois Operating Subsidiaries of Utilities, Inc.

Respectfully submitted,

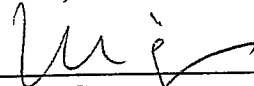
CORIX UTILITIES (ILLINOIS) LLC

By: _____
Name:
Title:

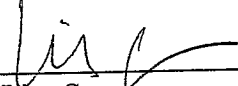
HYDRO STAR, LLC

By: _____
Name:
Title:

UTILITIES, INC.

By: 
Name: Lisa Sparrow
Title: President

UI OPERATING SUBSIDIARIES

By: 
Name: Lisa Sparrow
Title: President

Dated: April 11, 2012

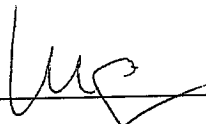
Of Counsel:
W. Michael Seidel
HOWARD & HOWARD ATTORNEYS PLLC
200 South Michigan Avenue
Suite 1100
Chicago, IL 60604-2461
(312) 372-4000
mseidel@howardandhoward.com

Attorneys for Utilities, Inc. and each of the Illinois Operating Subsidiaries of Utilities, Inc.


VERIFICATION

STATE OF ILLINOIS)
) ss:
COUNTY OF COOK)

Lisa Sparrow, being duly sworn according to law, deposes and says that she is the President of Utilities, Inc. and Utilities, Inc.'s Illinois Operating Subsidiaries and that in this capacity she is authorized to and does make this affidavit for them, and that the facts in the foregoing Application for Approval are true and correct to the best of her knowledge, information and belief.

BY: 
Name: Lisa Sparrow
Title: President and CEO

Sworn to and subscribed before me
this 11th day of April, 2012


Notary Public

(SEAL)

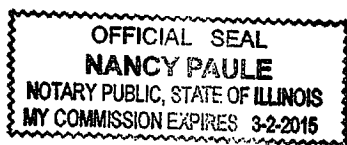


EXHIBIT A

ILLINOIS
OPERATING SUBSIDIARIES

Camelot Utilities, Inc.
Cedar Bluff Utilities, Inc.
Charmar Water Company
Cherry Hill Water Company
Clarendon Water Company
County Line Water Company
Del-Mar Water Company
Ferson Creek Utilities Company
Galena Territory Utilities, Inc.
Great Northern Utilities, Inc.
Harbor Ridge Utilities, Inc.
Holiday Hills Utilities, Inc.
Killarney Water Co.
Lake Holiday Utilities Corp.
Lake Marian Water Corp.
Lake Wildwood Utilities Corp.
Medina Utilities Corporation
Northern Hills Water and Sewer Company
Valentine Water Service, Inc.
Walk-Up Woods Water Co.
Westlake Utilities, Inc.
Whispering Hills Water Co.
Wildwood Water Service Co.

EXHIBIT B

State of Illinois
Office of
The Secretary of State

Whereas, ARTICLES OF AMENDMENT AND RESTATED ARTICLES TO THE ARTICLES OF INCORPORATION OF UTILITIES, INC. INCORPORATED UNDER THE LAWS OF THE STATE OF ILLINOIS HAVE BEEN FILED IN THE OFFICE OF THE SECRETARY OF STATE AS PROVIDED BY THE BUSINESS CORPORATION ACT OF ILLINOIS, IN FORCE JULY 1, A.D. 1984.

Now Therefore, I, Jesse White, Secretary of State of the State of Illinois, by virtue of the powers vested in me by law, do hereby issue this certificate and attach hereto a copy of the Application of the aforesaid corporation.

In Testimony Whereof, I hereto set my hand and cause to be affixed the Great Seal of the State of Illinois, at the City of Springfield, this 27TH day of AUGUST A.D. 1999 and of the Independence of the United States the two hundred and 24TH



Jesse White

Secretary of State

Form **BCA-10.30**
(Rev. Jan. 1999)

AMENDED AND RESTATED
ARTICLES OF AMENDMENT

File # 5331-713-6

Jesse White
Secretary of State
Department of Business Services
Springfield, IL 62756
Telephone (217) 782-1832

SUBMIT IN DUPLICATE

FILED

This space for use by
Secretary of State

AUG 27 1999

Date 8-27-99

Remit payment in check or money
order, payable to "Secretary of State."

Franchise Tax \$
Filing Fee* \$100.00
Penalty \$

The filing fee for restated articles of
amendment - \$100.00

Approved: *[Signature]*

<http://www.sos.state.il.us>

JESSE WHITE
SECRETARY OF STATE

1. CORPORATE NAME: Utilities, Inc. (Note 1)

2. MANNER OF ADOPTION OF AMENDMENT:

The following amendment of the Articles of Incorporation was adopted on August 26
(Month & Day)

1999 in the manner indicated below. ("X" one box only)
(Year)

By a majority of the incorporators, provided no directors were named in the articles of incorporation and no directors have been elected; (Note 2)

By a majority of the board of directors, in accordance with Section 10.10, the corporation having issued no shares as of the time of adoption of this amendment; (Note 2)

By a majority of the board of directors, in accordance with Section 10.15, shares having been issued but shareholder action not being required for the adoption of the amendment; (Note 3)

By the shareholders, in accordance with Section 10.20, a resolution of the board of directors having been duly adopted and submitted to the shareholders. At a meeting of shareholders, not less than the minimum number of votes required by statute and by the articles of incorporation were voted in favor of the amendment; (Note 4)

By the shareholders, in accordance with Sections 10.20 and 7.10, a resolution of the board of directors having been duly adopted and submitted to the shareholders. A consent in writing has been signed by shareholders having not less than the minimum number of votes required by statute and by the articles of incorporation. Shareholders who have not consented in writing have been given notice in accordance with Section 7.10; (Notes 4 & 5)

By the shareholders, in accordance with Sections 10.20 and 7.10, a resolution of the board of directors having been duly adopted and submitted to the shareholders. A consent in writing has been signed by all the shareholders entitled to vote on this amendment. (Note 5)

3. TEXT OF AMENDMENT:

a. When amendment effects a name change, insert the new corporate name below. Use Page 2 for all other amendments.

Article I: The name of the corporation is:

(NEW NAME)

EXPEDITED

AUG 27 1999

SECRETARY OF STATE

All changes other than name, include on page 2
(over)

Text of Amendment

- b. *(If amendment affects the corporate purpose, the amended purpose is required to be set forth in its entirety. If there is not sufficient space to do so, add one or more sheets of this size.)*

This amendment restates the Articles of Incorporation of Utilities, Inc. Attached hereto are the Amended and Restated Articles of Incorporation of Utilities, Inc.

The name of the corporation is Utilities, Inc. The corporation was originally incorporated under the name Utilities, Inc. Illinois pursuant to original Articles of Incorporation filed with the Secretary of State of the State of Illinois on May 1, 1995. The Corporation changed its name to Utilities, Inc. pursuant to Articles of Merger filed with the Secretary of State of the State of Illinois on May 31, 1995. As of the date of filing these Articles of Amendment, the name of the corporation's registered agent in the State of Illinois is Lawrence N. Schumacher and the address of the corporation's registered office in the State of Illinois is 2335 Sanders Road, Northbrook, Illinois 60062-6196, Cook County. As of the date of filing of these Articles of Amendment there are 3,030,797 Common Shares of the corporation issued and outstanding and the paid-in-capital of the corporation is \$14,499,697.

The Articles of Incorporation have been amended to (i) increase the authorized number of Common Shares and authorize Preferred Shares and (ii) add Article 5 and replace Article 6.

UTILITIES, INC.

AMENDED AND RESTATED ARTICLES OF INCORPORATION

Article 1. The name of the corporation is Utilities, Inc.

Article 2. The name of the corporation's registered agent in the State of Illinois is Lawrence N. Schumacher. The address of the corporation's registered office in the State of Illinois is 2335 Sanders Road, Northbrook, Illinois 60062-6196, Cook County.

Article 3. The purpose for which the corporation is organized is to transact any or all business for which corporations may be incorporated under the Illinois Business Corporation Act.

Article 4. A. The total number of shares of all classes of capital stock which the corporation shall have the authority to issue is 20,000,000 Common Shares, each with a par value of \$0.10 per share, and 5,000,000 Preferred Shares, each with a par value of \$0.10 per share. As of the date of this filing, there are 3,030,797 Common Shares of the corporation issued and outstanding and the paid-in-capital of the corporation is \$14,499,697.

B. The Board of Directors is expressly authorized at any time and from time to time to provide for the issuance of all or any Preferred Shares in one or more series, and to fix for each such series such distinctive designations, preferences and relative, participating, optional or other special rights and such qualifications, limitations or restrictions thereof, as shall be stated and expressed in the resolution or resolutions adopted by the Board of Directors providing for the issuance of such series and to the fullest extent as may now or hereafter be permitted by the Illinois Business Corporation Act, including, without limitation, (i) the rate of dividend, or the facts ascertainable outside the resolutions of the Board of Directors, providing the basis for determining such rate of dividend, but only if the manner in which such facts are to operate upon the dividend rate of any such series shall be clearly and expressly set forth in such resolution; (ii) the price at and the terms and conditions on which shares may be redeemed; (iii) the amount payable upon shares in the event of involuntary liquidation; (iv) the amount payable upon shares in the event of voluntary dissolution; (v) sinking fund provisions for the redemption or purchase of shares; (vi) the terms and conditions on which shares may be converted if the shares of any series are issued with the privilege of conversion; and (vii) the limitation or denial of voting rights, or the grant of special voting rights. Unless otherwise provided in such resolution or resolutions, Preferred Shares of such series which shall be issued and thereafter acquired by the corporation through purchase, redemption, exchange, conversion or otherwise shall return to the status of authorized but unissued Preferred Shares.

C. No shares shall be entitled to cumulative voting.

Article 5. A. The business and affairs of the corporation shall be managed by or under the direction of a Board of Directors, with the number of directors to be set forth in the

bylaws of the corporation. The directors shall be divided into three (3) classes designated as Class I, Class II and Class III, respectively. Each class shall consist, as nearly as may be possible, of one-third of the total number of directors constituting the entire board of directors. Class I directors shall be selected initially for a one-year term, Class II directors initially for a two-year term and Class III directors initially for a three-year term. At each annual meeting of shareholders, successors to the class of directors whose term expires at the annual meeting shall be elected for a three (3) year term. If the number of directors is changed, any increase or decrease shall be apportioned among the classes so as to maintain the number of directors in each class as nearly as possible, and any additional director of any class elected to fill a vacancy resulting from an increase in such class shall hold office for a term that shall coincide with the remaining term of that class, but in no case shall a decrease in the number of directors shorten the term of any incumbent director. A director shall hold office until the annual meeting for the year in which such director's term expires and until such director's successor shall be elected and qualified, subject, however, to prior death, resignation, retirement, disqualification or removal from office.

B. A director may be removed only by the holders of a majority of the outstanding shares then entitled to vote at an election of directors and only for cause.

Article 6. Unless otherwise required by Section 12.10 of the Illinois Business Corporation Act, no action required to be taken or which may be taken at any annual or special meeting of shareholders of the corporation may be taken without a meeting, and the power of shareholders to consent in writing, without a meeting, to the taking of any action is specifically denied.

Article 7. The provisions of Section 10.20(c) of the Illinois Business Corporation Act which require a two-thirds vote of shareholders of the corporation for the amendment of the corporation's Articles of Incorporation shall be superseded. An amendment of the corporation's Articles of Incorporation shall instead require the affirmative vote of the holders of at least a majority of the outstanding shares entitled to vote on such amendment, unless any class or series of shares is entitled to vote as a class in respect thereof, in which event the proposed amendment shall require the affirmative vote of the holders of at least a majority of the outstanding shares of each class or series of shares entitled to vote as a class in respect thereof and of the total outstanding shares entitled to vote on such amendment.

Article 8. The provisions of Section 11.20(a) of the Illinois Business Corporation Act which require a two-thirds vote of shareholders of the corporation for a merger, consolidation or share exchange shall be superseded. A merger, share exchange or consolidation shall instead require the affirmative vote of the holders of at least a majority of the outstanding shares entitled to vote on the plan unless any class or series of shares of the corporation is entitled to vote as a class on the plan, in which event the plan shall require the affirmative vote of the holders of at least a majority of the outstanding shares of each such class or series of shares entitled to vote as a class on the plan and of the total outstanding shares entitled to vote on the plan.

Article 9. The provisions of Section 11.60(c) of the Illinois Business Corporation Act which require a two-thirds vote of shareholders of the corporation for a sale, lease or exchange of assets other than in the usual and regular course of business shall be superseded. A sale, lease or exchange of assets other than in the usual and regular course of business shall instead require the affirmative vote of the holders of at least a majority of the outstanding shares entitled to vote on such matters unless any class or series of shares is entitled to vote as a class in respect thereof, in which event the proposed sale, lease or exchange of assets shall require the affirmative vote of the holders of at least a majority of the outstanding shares of each class or series of shares entitled to vote as a class on such matter and of the total outstanding shares entitled to vote on such matter.

Article 10. A. A director of the corporation shall not be personally liable to the corporation or its shareholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the corporation or its shareholders, (ii) for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law, (iii) under Section 8.65 of the Illinois Business Corporation Act, as the same exists or hereafter may be amended, or (iv) for any transaction from which the director derived an improper personal benefit.

B. If the Illinois Business Corporation Act hereafter is amended to authorize the further elimination or limitation of the liability of the directors, then the liability of directors shall be eliminated or limited to the full extent authorized by the Illinois Business Corporation Act, as so amended.

C. Any repeal or modification of this Article shall not adversely affect any right or protection of a director of the corporation existing at the time of such repeal or modification.

4. The manner, if not set forth in Article 3b, in which any exchange, reclassification or cancellation of issued shares, or a reduction of the number of authorized shares of any class below the number of issued shares of that class, provided for or effected by this amendment, is as follows: *(If not applicable, insert "No change")*

No change

5. (a) The manner, if not set forth in Article 3b, in which said amendment effects a change in the amount of paid-in capital (Paid-in capital replaces the terms Stated Capital and Paid-in Surplus and is equal to the total of these accounts) is as follows: *(If not applicable, insert "No change")*

No change

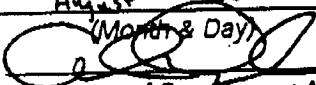
- (b) The amount of paid-in capital (Paid-in Capital replaces the terms Stated Capital and Paid-in Surplus and is equal to the total of these accounts) as changed by this amendment is as follows: *(If not applicable, insert "No change")*

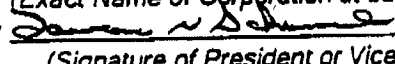
No change

| | Before Amendment | After Amendment |
|-----------------|------------------|-----------------|
| Paid-in Capital | \$ _____ | \$ _____ |

(Complete either Item 6 or 7 below. All signatures must be in **BLACK INK.**)

6. The undersigned corporation has caused this statement to be signed by its duly authorized officers, each of whom affirms, under penalties of perjury, that the facts stated herein are true.

Dated August 26, 1999
(Month & Day) (Year)
 attested by 
(Signature of Secretary or Assistant Secretary)
Andrew Dopuch VP & Sec.
(Type or Print Name and Title)

Utilities, Inc.
(Exact Name of Corporation at date of execution)
 by 
(Signature of President or Vice President)
LAWRENCE N. SCHUMACHER PRES.
(Type or Print Name and Title)

7. If amendment is authorized pursuant to Section 10.10 by the incorporators, the incorporators must sign below, and type or print name and title.

OR

If amendment is authorized by the directors pursuant to Section 10.10 and there are no officers, then a majority of the directors or such directors as may be designated by the board, must sign below, and type or print name and title.

The undersigned affirms, under the penalties of perjury, that the facts stated herein are true.

Dated _____, _____
(Month & Day) (Year)

NOTES and INSTRUCTIONS

NOTE 1: State the true exact corporate name as it appears on the records of the office of the Secretary of State, BEFORE any amendments herein reported.

NOTE 2: Incorporators are permitted to adopt amendments ONLY before any shares have been issued and before any directors have been named or elected. (§ 10.10)

NOTE 3: Directors may adopt amendments without shareholder approval in only seven instances, as follows:

- (a) to remove the names and addresses of directors named in the articles of incorporation;
- (b) to remove the name and address of the initial registered agent and registered office, provided a statement pursuant to § 5.10 is also filed;
- (c) to increase, decrease, create or eliminate the par value of the shares of any class, so long as no class or series of shares is adversely affected.
- (d) to split the issued whole shares and unissued authorized shares by multiplying them by a whole number, so long as no class or series is adversely affected thereby;
- (e) to change the corporate name by substituting the word "corporation", "incorporated", "company", "limited", or the abbreviation "corp.", "inc.", "co.", or "ltd." for a similar word or abbreviation in the name, or by adding a geographical attribution to the name;
- (f) to reduce the authorized shares of any class pursuant to a cancellation statement filed in accordance with § 9.05,
- (g) to restate the articles of incorporation as currently amended. (§ 10.15)

NOTE 4: All amendments not adopted under § 10.10 or § 10.15 require (1) that the board of directors adopt a resolution setting forth the proposed amendment and (2) that the shareholders approve the amendment.

Shareholder approval may be (1) by vote at a shareholders' meeting (*either annual or special*) or (2) by consent, in writing, without a meeting.

To be adopted, the amendment must receive the affirmative vote or consent of the holders of at least 2/3 of the outstanding shares entitled to vote on the amendment (*but if class voting applies, then also at least a 2/3 vote within each class is required*).

The articles of incorporation may supersede the 2/3 vote requirement by specifying any smaller or larger vote requirement not less than a majority of the outstanding shares entitled to vote and not less than a majority within each class when class voting applies. (§ 10.20)

NOTE 5: When shareholder approval is by consent, all shareholders must be given notice of the proposed amendment at least 5 days before the consent is signed. If the amendment is adopted, shareholders who have not signed the consent must be promptly notified of the passage of the amendment. (§§ 7.10 & 10.20)

Delaware

PAGE 1

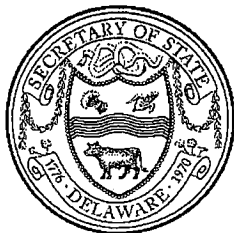
The First State

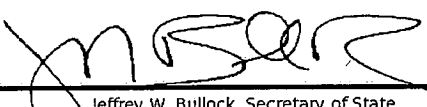
I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF FORMATION OF "CORIX UTILITIES (ILLINOIS) LLC", FILED IN THIS OFFICE ON THE SIXTEENTH DAY OF FEBRUARY, A.D. 2012, AT 4:57 O'CLOCK P.M.

5102952 8100

120179289

You may verify this certificate online
at corp.delaware.gov/authver.shtml




Jeffrey W. Bullock, Secretary of State
AUTHENTICATION: 9370992

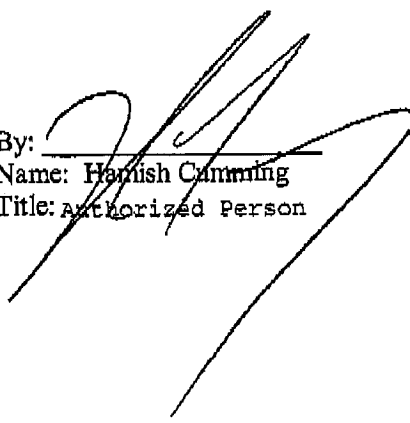
DATE: 02-16-12

State of Delaware
Secretary of State
Division of Corporations
Delivered 04:57 PM 02/16/2012
FILED 04:57 PM 02/16/2012
SRV 120179289 - 5102952 FILE

CERTIFICATE OF FORMATION
OF
CORIX UTILITIES (ILLINOIS) LLC

1. The name of the limited liability company is CORIX UTILITIES (ILLINOIS) LLC.
2. The address of its registered office in the State of Delaware is 2711 Centerville Road, Suite 400, Wilmington, DE 19808. The name of its registered agent at such address is Corporation Service Company.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Formation this 16th day of February, 2012.

By: 
Name: Herish Cumming
Title: Authorized Person

State of Delaware
Secretary of State
Division of Corporations
Delivered 01:11 PM 05/13/2005
FILED 01:06 PM 05/13/2005
SRV 050392811 - 3969082 FILE

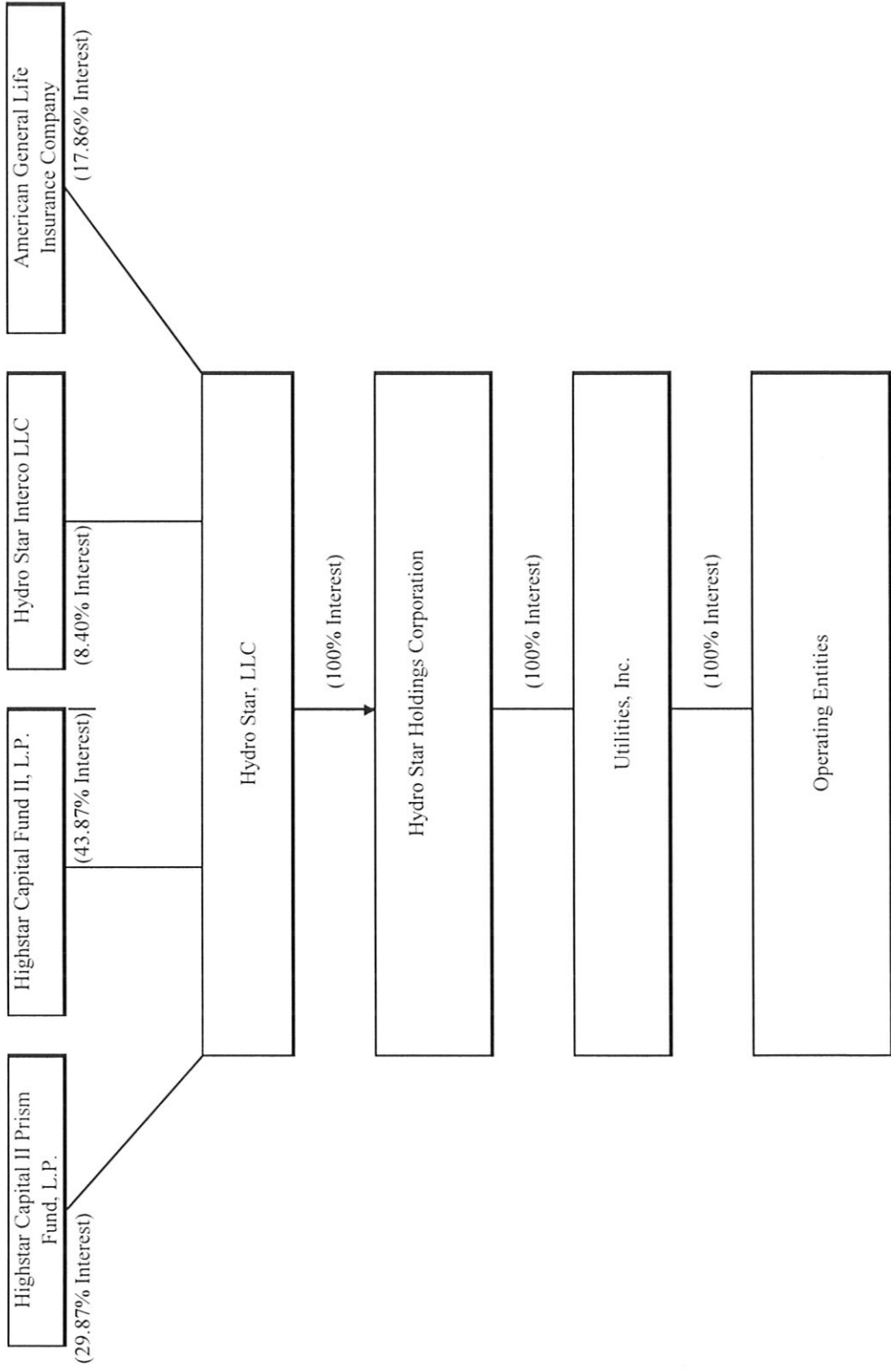
CERTIFICATE OF FORMATION
OF
HYDRO STAR, LLC

1. The name of the limited liability company is Hydro Star, LLC.
2. The address of its registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street, in the City of Wilmington, County of New Castle and the name of its registered agent at such address is The Corporation Trust Company.

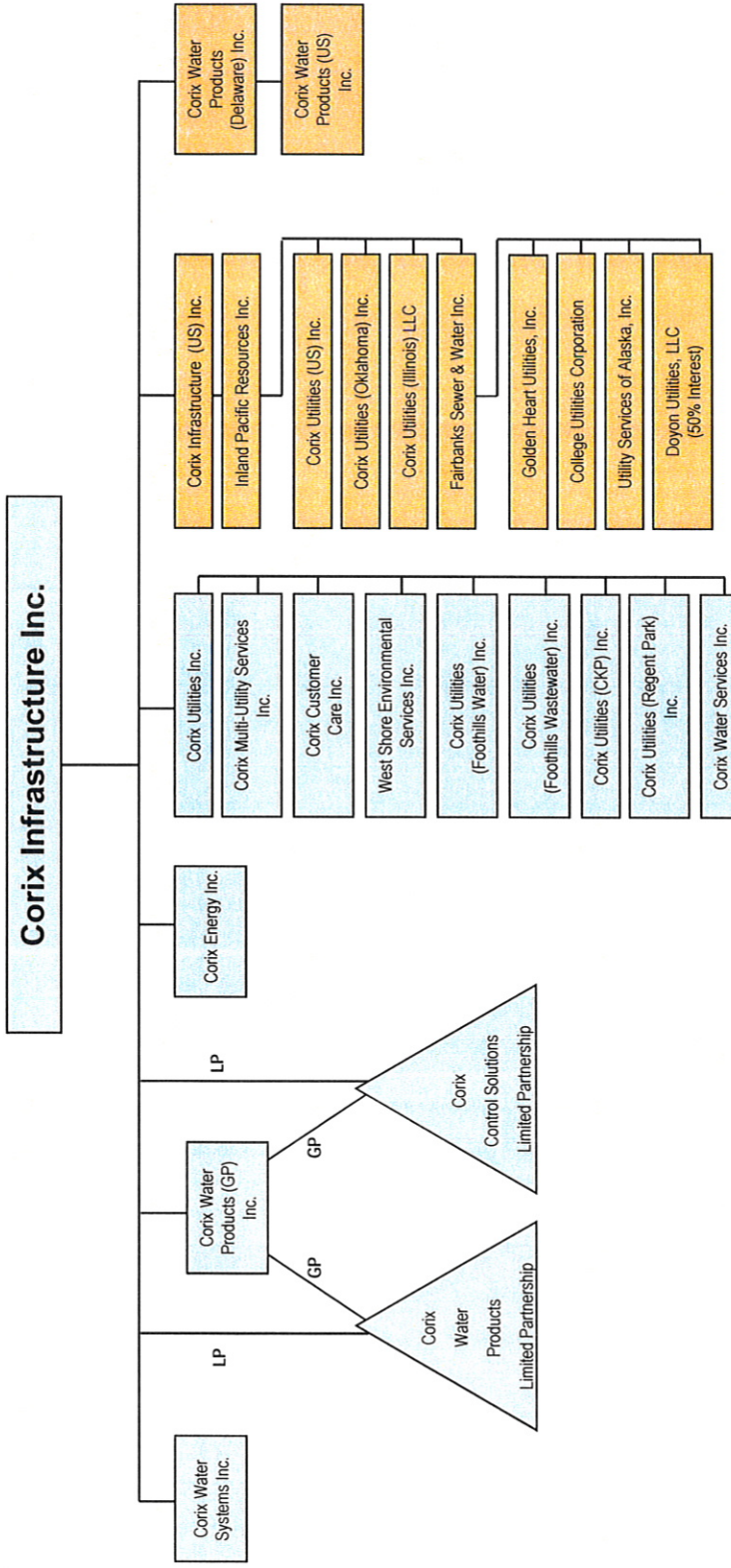
IN WITNESS WHEREOF, the undersigned has executed this Certificate of Formation of Hydro Star, LLC this 13th day of May, 2005.


Sharon McManus, Authorized Person

EXHIBIT C



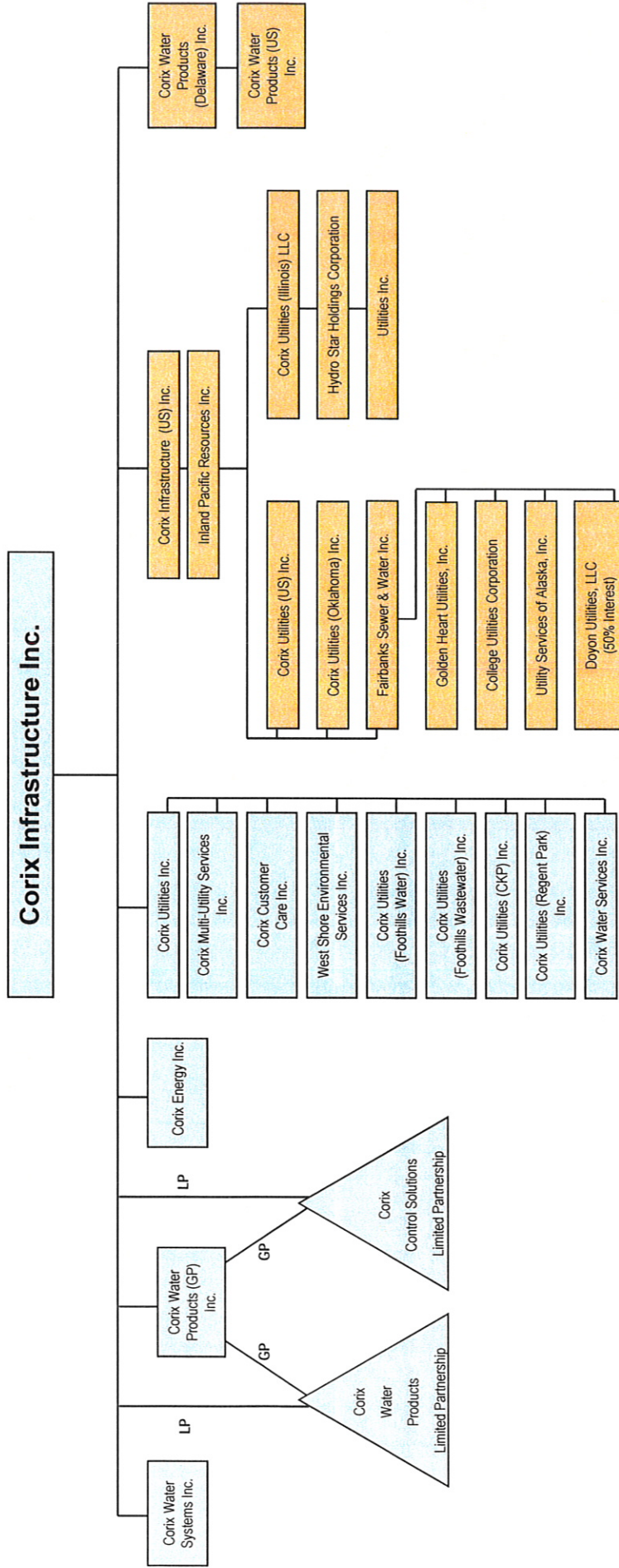
Confidential



| Colour Codes |
|--------------------|
| US Companies |
| Canadian Companies |

Includes only active operating companies and holding companies.

Confidential



| Colour Codes |
|--------------------|
| US Companies |
| Canadian Companies |

Includes only active operating companies and holding companies.

EXHIBIT D

Utilities Inc 5 Year Capital Plan for Illinois Entities (2012-2016)
(Latest Forecast as of 03-26-2012)

| | 2012 Budget | 2013 Budget | 2014 Budget | 2015 Budget | 2016 Budget |
|----------------------------------|--------------------|------------------|--------------------|------------------|--------------------|
| APPLE CANYON UTILITY COMPANY | \$ 43,800 | \$ 43,800 | \$ 118,800 | \$ 43,800 | \$ 43,800 |
| CEDAR BLUFF UTILITIES, INC. | 14,500 | 19,500 | 19,500 | 19,500 | 19,500 |
| CHARMAR WATER COMPANY | 7,760 | 7,760 | 7,760 | 7,760 | 7,760 |
| CHERRY HILL WATER COMPANY | 221,601 | 91,600 | 31,600 | 31,600 | 31,600 |
| CLARENDON WATER COMPANY | 35,400 | 40,400 | 40,400 | 40,400 | 40,400 |
| DEL MAR WATER CO. | 293,935 | 9,000 | 9,000 | 9,000 | 9,000 |
| FERSON CREEK UTILITIES COMPANY | 78,800 | 81,800 | 81,800 | 81,800 | 81,800 |
| GALENA TERRITORY UTILITIES, INC. | 78,700 | 178,700 | 418,700 | 78,700 | 78,700 |
| GREAT NORTHERN UTILITIES, INC. | 52,000 | 26,000 | 126,000 | 26,000 | 26,000 |
| HARBOR RIDGE UTILITIES, INC. | 190,100 | 34,100 | 154,100 | 34,100 | 34,100 |
| HOLIDAY HILLS UTILITIES INC | 14,400 | 14,400 | 14,400 | 14,400 | 14,400 |
| KILLARNEY WATER CO. | 18,300 | 18,300 | 78,300 | 18,300 | 18,300 |
| LAKE HOLIDAY UTILITIES CORP. | 366,800 | 87,800 | 137,800 | 87,800 | 87,800 |
| LAKE MARIAN WATER CORPORATION | 90,900 | 38,900 | 38,900 | 38,900 | 38,900 |
| LAKE WILDWOOD UTILITIES CORP. | 42,000 | 51,000 | 51,000 | 51,000 | 51,000 |
| MEDINA UTILITIES CORPORATION | 29,000 | 34,000 | 34,000 | 34,000 | 34,000 |
| NORTHERN HILLS W & S CO. | 166,500 | 8,500 | 8,500 | 8,500 | 8,500 |
| VALENTINE WATER SERVICE, INC. | 6,800 | 6,800 | 6,800 | 106,800 | 156,800 |
| WALK UP WOODS WATER COMPANY | 17,300 | 17,300 | 117,300 | 17,300 | 17,300 |
| WESTLAKE UTILITIES INC | 34,700 | 34,700 | 34,700 | 34,700 | 34,700 |
| WHISPERING HILLS WATER COMPANY | 377,500 | 123,500 | 123,500 | 123,500 | 623,500 |
| WILDWOOD WATER SERVICE COMPANY | 23,400 | 23,400 | 23,400 | 23,400 | 238,400 |
| Grand Total | \$2,204,196 | \$991,260 | \$1,676,260 | \$931,260 | \$1,696,260 |

EXHIBIT E

(PUBLIC)

CONSOLIDATED FINANCIAL STATEMENTS OF
CORIX INFRASTRUCTURE INC.

FOR THE YEAR ENDED DECEMBER 31, 2011



Edward H. Bergin
Direct Dial 504-582-8222
Direct Fax 504-589-8222
nbergin@joneswalker.com

April 12, 2012

Ms. Eve Kahoe Gonzales
Executive Secretary
LOUISIANA PUBLIC SERVICE COMMISSION
Galvez Building
12th Floor
602 North Fifth Street
Baton Rouge, LA 70802

Re: Request for Letter of Approval or Non-Opposition to indirect change
of control of Utilities Inc. of Louisiana and Louisiana Water Service
Our File No. 74819-00

Dear Eve:

We represent two Louisiana-based water and sewer companies, Louisiana Water Service, Inc. ("LWS") and Utilities Inc. of Louisiana ("UIL"). Both UIL and LWS are subject to the Commission's regulatory jurisdiction. The sole stockholder of UIL and LWS is Utilities, Inc. For the last several years, Utilities, Inc.'s stock has been owned by Hydro Star Holdings Corporation ("HSHC"), a Delaware corporation, which is in turn wholly owned by Hydro Star LLC, ("Hydro Star"), a Delaware limited liability company. The membership interests in Hydro Star are currently held by Highstar Capital Fund II, L.P., and certain affiliates and co-investors (collectively, the "Sellers").

Pursuant to a Purchase and Sale Agreement, dated as of February 17, 2012 (the "PSA"), the Sellers have agreed to sell 100% of the membership interests in Hydro Star to Corix Utilities (Illinois) LLC, a newly formed Delaware limited liability company ("Corix Utilities"). Corix Utilities is owned indirectly by Corix Infrastructure Inc. ("Corix"). It is possible that following the consummation of the transactions contemplated by the PSA, Corix will cause Corix Utilities to merge with and into Hydro Star, thereby eliminating one of the intermediate holding companies through which Corix Utilities will hold its interest in UI and its indirect interest in UIL and LWS.

JONES, WALKER, WAECHTER, POITEVENT, CARRÈRE & DENÈGRE L.L.P.

201 ST. CHARLES AVENUE • NEW ORLEANS, LOUISIANA 70170-5100 • 504-582-8000 • FAX 504-582-8583 • E-MAIL info@joneswalker.com • www.joneswalker.com
{N2449600.1} ALABAMA ARIZONA DISTRICT OF COLUMBIA FLORIDA LOUISIANA TEXAS

The consummation of the transactions contemplated by the PSA is conditioned upon (i) the expiration or early termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), (ii) Corix Utilities' receipt of clearance from the Committee on Foreign Investment in the United States ("CFIUS"), (iii) receipt of various state or local regulatory approvals, and (iv) the satisfaction or waiver of all other requisite conditions precedent to closing, as set forth in the PSA. Closing of the sale is expected to occur as soon as practical after the HSR Act waiting period has expired, the CFIUS clearance has been received, all other necessary regulatory approvals and clearances have been obtained and all other requisite conditions precedent set forth in the PSA have been satisfied or waived.

The proposed sale of membership interests contemplated by the PSA will result in an indirect change in the ownership of Utilities, Inc. and its subsidiaries, including LWS and UIL. Even after consummation of the sale, Utilities, Inc. will continue to own all of the stock of LWS and UIL. Further, Utilities, Inc. will continue to be wholly owned by HSHC. In turn, HSHC will be owned either by Hydro Star, and indirectly by Corix Utilities, or directly by Corix Utilities. Stated differently, the change of control will be several levels up from LWS and UIL. The number of employees and the day-to-day operations of LWS and UIL will not be affected by the proposed sale.

In light of the foregoing, Utilities, Inc., on its own behalf, and on behalf of LWS and UIL, seeks a determination of whether Commission approval of, or non-opposition to, the proposed sale of membership interests is required pursuant to the Commission's General Order dated March 18, 1994 entitled "In Re: Commission Approval Required of Sales, Leases, Mergers, Consolidations, Stock Transfers and All Other Changes of Control or Ownership of Public Utilities Subject to Commission Jurisdiction" (the "March 18, 1994 General Order"). Utilities, Inc. does not believe that Commission approval is required because Utilities, Inc. will remain the sole shareholder of UIL and LWS, and neither Utilities, Inc. nor its sole shareholder, HSHC, is subject to the Commission's jurisdiction. However, in the event that you determine that Commission approval or non-opposition is required, Utilities, Inc. requests a letter of approval or non-opposition from the Commission approving the proposed sale, which will result in an indirect change in ownership, and therefore an indirect change of control, of the regulated entities, UIL and LWS.

In compliance with the March 18, 1994 General Order, Utilities, Inc., LWS and UIL submit the following information in support of their request for approval or non-opposition:

1. This sale of membership interests is in the public interest because day-to-day operation of UIL and LWS will be not be affected.
2. The acquisition by Corix Utilities of all of the membership interests in Hydro Star will not result in any change in management of the local operating subsidiaries, and the expertise of existing local management will remain in place. By combining Utilities, Inc.'s current management approach and

regulatory and operational expertise with the experience, financial resources and support of Corix Utilities and its affiliates, Utilities, Inc. will continue to have the ability to provide consistent, uninterrupted service to the customers of UIL and LWS.

3. The purchaser, Corix Utilities, is ready, willing and able to ensure that UIL and LWS continue to provide safe, reliable and adequate service to customers of UIL and LWS. Corix is engaged in the business of water, wastewater and energy utilities and utility related products and services. In fact, UIL and LWS will continue to provide service to their customers in the same manner that they are currently providing such service and their ability to do so will be enhanced by access to Corix's experience and assets.
4. The proposed sale of membership interests in Hydro Star to Corix Utilities will maintain the financial condition of Utilities, Inc., and indirectly, UIL and LWS. Corix Utilities, together with its ultimate parent, Corix Infrastructure Inc., and its affiliates (collectively the "Corix Group") is well financed with stable long term funding and solid access to debt financing, capital markets and geographic diversity. The Corix Group collectively currently manages over \$750 million in assets and generated cumulative revenue of approximately \$540 million in 2011. Ensuring ready access to capital funds to support growth and the continued maintenance of critical infrastructure is vitally important and increasingly so in today's turbulent financial markets. The Corix Group is currently engaged in water, wastewater and energy utility and utility service operations in 14 states, including Alaska, California, Colorado, Illinois, Michigan, Missouri, New Hampshire, New Jersey, New York, Oklahoma, Texas, Virginia, Washington and Wisconsin. The Corix Group employs over 2,200 employees across North America. The proposed sale of membership interests in Hydro Star to Corix Utilities will maintain the current high quality of service provided to UIL's and LWS' customers. Moreover, the proposed sale of membership interests in Hydro Star to Corix Utilities will be seamless and transparent to the customers of UIL and LWS.
5. The proposed sale of membership interests in Hydro Star to Corix Utilities will not adversely affect customers of UIL and LWS. Instead, the proposed sale will result in net benefits to customers of UIL and LWS. However, these benefits will be nonmonetary in nature. As part of the Corix Group, UIL and LWS will have access to a wide spectrum of technical and industry expertise in all facets of sustainable water, wastewater and energy systems, including innovative technologies, operating tools and regulatory resources required to develop sustainable multi-utility services. The proposed acquisition will allow Utilities, Inc., UIL and LWS to continue to provide quality, consistent service to their customers and to expand existing operations across the country, including Louisiana. UIL's and LWS' rates will not change as a result of the proposed sale of membership interests in Hydro Star to Corix

Utilities. Corix Utilities, Utilities, Inc., UIL and LWS will not seek to recover any transaction costs or acquisition premiums from customers relating to the proposed transaction. There will be no change in day-to-day operations of UIL or LWS and no impact on customer service for customers of UIL or LWS.

6. The proposed sale of membership interests in Hydro Star to Corix Utilities will not adversely affect competition or alter the concentration of water and sewer ownership in Louisiana. The proposed transaction does not involve the merger or elimination of any Louisiana based water and sewer companies.
7. The proposed sale of membership interests in Hydro Star to Corix Utilities will maintain the quality of local management of UIL and LWS. The proposed transaction does not contemplate any change in the direct ownership or control of UIL or LWS. UIL and LWS will continue as subsidiaries of Utilities, Inc., which has a long history of providing quality water and wastewater services at just and reasonable rates. Each of UIL and LWS has a seasoned management team with many years of experience in the water and wastewater industry. Their customer service staff and the local operating staff are also well experienced in their areas of operations. It is anticipated that following the proposed transaction, LWS and UIL will continue to be managed and operated by the same officers and personnel that currently run its operations and that LWS and UIL will continue to receive support from Utilities, Inc. in the same manner as they currently do. Moreover, because the Corix Group also has extensive experience in providing utility service, the proposed sale of membership interests will enhance the ability of UIL and LWS to continue to provide high quality service. As part of the Corix Group, UIL and LWS will have access to a wide spectrum of technical and industry expertise in all facets of sustainable water, wastewater and energy systems, including innovative technologies, operating tools and regulatory resources required to develop sustainable multi-utility services. Thus, the proposed transaction will not have any adverse effect upon the services provided by LWS and UIL.
8. The proposed sale of membership interests in Hydro Star to Corix Utilities will be fair and reasonable to the employees of UIL and LWS. It is not contemplated that any positions at UIL or LWS will be eliminated as a result of the proposed sale of membership interests in Hydro Star to Corix Utilities.
9. The proposed sale of membership interests in Hydro Star to Corix Utilities will be fair and reasonable to the parties to the PSA, which have approved its terms.
10. The proposed sale of membership interests in Hydro Star to Corix Utilities will not adversely affect the State or local economies and/or the communities served by UIL and LWS.

11. The proposed sale of membership interests in Hydro Star to Corix Utilities will preserve the jurisdiction of the Commission and the ability of the Commission to regulate effectively the operations of UIL and LWS in the State. The application does not involve a transfer of facilities or land owned or occupied by any of the subsidiaries of Utilities, Inc., including LWS and UIL. LWS and UIL will continue to own or lease the land on which their treatment facilities are currently located.
12. There are no conditions present which would result in adverse consequences as a result of the proposed sale of membership interests in Hydro Star to Corix Utilities.
13. Utilities, Inc., UIL and LWS have a history of compliance with regulatory authorities in Louisiana. Utilities, Inc. and its other subsidiaries also have a long history of compliance with regulatory authorities in other jurisdictions. Because Utilities, Inc. will continue to own UIL and LWS, the dedication to regulatory compliance will not change. Similarly, the Corix Group and their subsidiaries also have a long history of compliance with regulatory authorities in other jurisdictions.
14. As noted in Points 3 and 4 above, Utilities, Inc., Hydro Star and Corix Utilities have the financial ability to operate Utilities, Inc. and to maintain and/or upgrade the quality of the UIL and LWS systems to the extent necessary.
15. UIL and LWS have, and following the proposed transaction will continue to have, the ability to make any repairs and/or improvements that may be necessary.
16. Because UIL and LWS will remain the operating utilities in Louisiana, we do not believe that it will be necessary to obtain any new health, safety and other permits. Should new permits become necessary, Utilities, Inc., LWS and UIL will remain able to obtain them and will obtain any that are necessary.
17. Corix Utilities will pay cash for the outstanding membership interests of Hydro Star. Therefore, the proposed sale of membership interests in Hydro Star to Corix Utilities will not encumber the assets of UIL and LWS and will have no impact on rates.
18. There are no conditions that the Commission should place on the proposed sale of membership interests. UIL and LWS agree to continue to abide by prior Commission Orders, as well as contracts and settlement agreements previously approved by the Commission.

Should you determine that Commission approval or non-opposition is required, we respectfully request that you file this request and publish notice of it in the next Louisiana Public Service Commission Official Bulletin. We further request that you allow interested parties 15 days in which to intervene or object. Finally, we request that the Commission issue a letter of approval or non-opposition as soon as possible after the intervention period has expired.

Thank you for your cooperation and assistance.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Edward H. Bergin". The signature is written in a cursive style with a large initial "E".

Edward H. Bergin

EHB:kw

cc: Commissioner Eric Skrmetta

Brian M. Quinn
Of Counsel
T 410-244-7466
bquinn@venable.com

April 12, 2012

VIA ELECTRONIC FILING & UPS DELIVERY

David J. Collins
Executive Secretary
Maryland Public Service Commission
William Donald Schaefer Tower
6 St. Paul Street, 16th Floor
Baltimore, MD 21202

Re: Utilities, Inc. – Notification
Corix Utilities Acquisition of Hydro Star, LLC

Dear Mr. Collins:

On behalf of Utilities, Inc. ("UI"), this letter is written to notify the Commission of a pending transaction (the "Transaction") in which Corix Utilities (Illinois) LLC ("Corix Utilities" or the "Buyer") will acquire 100% of the membership interests in Hydro Star, LLC ("Hydro Star"), the holding company of UI's parent company. As explained herein, UI submits several exhibits in support of this filing, all of which are highly confidential. Pursuant to the Commission's rules concerning confidential filings, ten copies of these confidential exhibits are marked as such and included only in the separate hard copy filing of this letter.

Hydro Star is the sole shareholder of Hydro Star Holdings Corporation, which is the sole shareholder of UI. UI is the sole shareholder of three water and/or sewer utilities in Maryland, namely, Maryland Water Service, Inc. ("MWS"), Provinces Utilities, Inc. ("Provinces") and Green Ridge Utilities, Inc. ("Green Ridge"). These three Maryland water/sewer companies serve residential communities located in Allegheny, Anne Arundel, and Harford County, respectively.

Since the Transaction occurs at the Hydro Star level, UI and its Maryland water/sewer companies will not be directly affected by the Transaction. After the Transaction, the corporate philosophy of providing the highest quality service to its customers will be continued and customers of MWS, Provinces and Green Ridge will continue to receive their existing services from the same local operational employees and at the Maryland water/sewer companies' current rates and on the current terms, and conditions. The Transaction will not change the Maryland water/sewer companies' corporate status, tariffs or day-to-day operations. And, it is anticipated

FILED
APR 12 2012
PUBLIC SERVICE COMM
OF MARYLAND

David J. Collins
April 12, 2012
Page 2

that following the Transaction, the Maryland water/sewer companies will continue to receive the services they currently receive from UI. No costs related to the Transaction will be included in the cost of service of MWS, Provinces or Green Ridge and it is anticipated that following the Transaction, UI will continue to infuse capital investments into these Maryland operating companies in a manner consistent with that currently employed by UI. Accordingly, the Transaction will be transparent and seamless to the Maryland customers of MWS, Provinces and Green Ridge.

Background

Hydro Star is currently owned by Highstar Capital Fund II, L.P. (“Highstar Capital Fund II”) and certain of its affiliates and co-investors, namely, Highstar Capital II Prism Fund, L.P. (“Highstar Prism”), Hydro Star Interco LLC (together with Highstar Capital Fund II and Highstar Prism, “Highstar”) and American General Life Insurance Company (collectively, the “Sellers”). Founded in 1998 and based in New York, Highstar Capital is a group of private equity funds that includes Highstar, and that manages over \$5 billion of investments in a diversified portfolio of energy, transportation and environmental/waste management assets and businesses. Hydro Star acquired UI from its predecessor owner, Nuon Global Solutions USA, Inc. (“Nuon”) in 2005. At that time, the Commission issued a letter order noting the Hydro Star / Nuon transaction. *See*, July 20, 2005 Commission Letter Order (ML# 97987).

UI is one of the largest privately owned water and wastewater companies in the country, operating over 70 water/sewer companies that serve a total of approximately 290,000 customers in fifteen states. UI maintains five regional offices and approximately 435 employees. UI’s Maryland water/sewer companies (MWS, Provinces and Green Ridge) serve a total of approximately 3,400 customers.

Corix Utilities is indirectly owned by Corix Infrastructure Inc. (collectively with its subsidiaries, the “Corix Group”). The Corix Group is a private company with corporate offices located in Wauwatosa, Wisconsin and Vancouver, BC, Canada that collectively manages over \$750 million in assets and maintains over 2,200 employees across North America (www.corix.com).¹ With over 70 years of experience, the Corix Group is an integrated provider of essential utility infrastructure, providing services from supplying products to financing, designing, building and managing complete utility systems. The Corix Group is owned primarily by certain affiliates of British Columbia Investment Management Corporation (“BCIMC”) and CAI Capital Management Inc. (“CAI”), two large and stable members of the

¹ The consolidated financial statements of the Corix Group for the year ended December 31, 2011 are enclosed herewith under confidential seal. *See* Confidential Attachment 1.

David J. Collins
April 12, 2012
Page 3

North American investment community (www.bcimc.com) (www.caifunds.com). BCIMC is an independent investment management corporation that manages a globally diversified investment portfolio of \$91.1 billion as of December, 2011 and is a long-term investor in leading utilities such as Corix, Puget Energy (Washington state), Aquarion Company (New England), Thames Water Utilities Limited (Britain's largest water and sewer company) and Transelec S.A., (Chile's largest transmission utility). CAI is a private equity firm with offices in New York City and Canada that has invested or placed with co-investors over \$1.3 billion in equity or equity-related investments to help fund growth and corporate transition in a diversified group of companies throughout North America.

The Transaction

Corix Utilities (a newly formed Delaware limited liability company) and the Sellers, entered into a Purchase and Sale Agreement ("PSA") dated February 17, 2012. Corix Infrastructure Inc. indirectly holds all of the outstanding membership interests of Corix Utilities. Pre-Transaction corporate organizational charts of Corix Infrastructure Inc. and Hydro Star and a post-Transaction organizational chart are enclosed herewith under confidential seal. *See Confidential Attachment 2.* In addition, the PSA is likewise submitted herewith under confidential seal. *See Confidential Attachment 3.*

Pursuant to the PSA, Corix Utilities will acquire from the Sellers 100% of the issued and outstanding membership interests (the "Company Interests") in Hydro Star. Upon the consummation of the Transaction, Corix Utilities will own 100% of the Company Interests and, as a result, indirectly hold 100% of UI and its Maryland water/sewer subsidiaries (MWS, Provinces and Green Ridge).

The consummation of the Transaction is conditioned upon (i) the expiration or early termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), (ii) receipt of any other required permits or consents or regulatory approvals, including those of the state public utility commissions or other requisite governmental and/or regulatory authorities, (iii) Corix Utilities' receipt of clearance from the Committee on Foreign Investment in the United States ("CFIUS"), and (iv) the satisfaction or waiver of all other requisite conditions precedent to closing, as set forth in Article VII of the PSA. The parties intend to consummate the Transaction as soon as practicable after expiration or termination of the HSR Act waiting period, receipt of all other

David J. Collins
April 12, 2012
Page 4

requisite governmental and/or regulatory permits and approvals, receipt of CFIUS clearance, and the satisfaction or waiver of all other requisite conditions precedent.²

Notification

The Transaction will not have any material effect on UI or the franchises of MWS, Provinces or Green Ridge. As explained herein, the Transaction will not change these Maryland water/sewer companies' corporate status, tariffs or day-to-day operations. And, it is anticipated that following the Transaction, the Maryland water/sewer companies will continue to receive the services they currently receive from UI. Although Hydro Star may arguably be considered a "public service company" because it maintains affiliates that are regulated water/sewer companies in Maryland, the transfer of ownership of Hydro Star to Corix Utilities is not covered by Public Utilities Article ("PUA") § 6-101(c)(3) because neither Hydro Star nor Corix Utilities operates in Maryland.³ In addition, the Transaction does not involve the transfer of any stock of any Maryland public service company nor does it involve any financing that would require Commission authorization or consideration of the factors set forth in PUA §§ 5-203 and 6-101, or COMAR 20.07.04.04. Accordingly, UI submits that the Commission may note the Transaction.

Notwithstanding the fact no statutory or regulatory approval requirement is triggered here, UI submits that the Transaction is consistent with the public interest for several reasons. As part of the Corix Group, UI (and in turn, MWS, Provinces and Green Ridge), will have access to a wide spectrum of technical and industry expertise in all facets of sustainable water, sewer and energy systems, including innovative technologies, operating tools and regulatory resources. Corix Utilities is an experienced utility operator and is fit, willing and able to finance, own and operate UI and the Maryland water/sewer companies. Moreover, the Transaction will likely enhance the ability of UI to obtain access to the capital markets which translates to an improved ability to maintain safe and reliable water and sewer service to Maryland customers. The impact of the Transaction on the employees of the combined organization is expected to be overwhelmingly positive as the existence of a larger organization will create opportunities for growth, skill development and advancement for employees. In sum, the Transaction is expected to benefit customers, employees and the communities served by UI and the Maryland water/sewer companies.

² It is possible that following the consummation of the Transaction, Corix Infrastructure Inc. will cause Corix Utilities to merge with and into Hydro Star, thereby eliminating one of the intermediate holding companies through which Corix Utilities will hold its interest in UI.

³ The Corix Group does not own or control any public service companies operating in Maryland.

David J. Collins
April 12, 2012
Page 5

Finally, UI respectfully requests that the Commission expedite its review and consideration of this letter and note the Transaction. UI submits that expedited review is appropriate from a regulatory perspective because the Transaction will not result in any change in the corporate status, rates, terms, conditions or the day-to-day operations of UI, MWS, Provinces or Green Ridge. Accordingly, the Transaction will be seamless to the employees and, more importantly, to the customers of MWS, Provinces and Green Ridge.

Kindly date-stamp and return the extra copy of this filing using the enclosed self-addressed, postage-prepaid envelope. Please contact me if you have any questions. Thank you.

Very truly yours,



Brian M. Quinn

BMQ/leb
Enclosures
BA0/303844

cc: Steve Lubertozi, Utilities, Inc.
Paula Carmody, Office of People's Counsel

BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA

oo0oo

| | |
|--|---|
| <p>In the Matter of:</p> <p>The Joint Application of Corix Utilities (Illinois) LLC, Hydro Star LLC, Utilities Inc., Utilities Inc. Of Nevada, Sky Ranch Water Service Corp. Spring Creek Utilities Co., and Utilities Inc. of Central Nevada for Approval of a Transaction in which Corix Utilities (Illinois) LLC will acquire 100% of the membership interests in Hydro Star LLC.</p> | <p>Docket No.:</p> <p>2012 APR 16 PM 4:16</p> <p>RECEIVED-PUBLIC UTILITIES COMMISSION OF NEVADA-CARSON CITY</p> |
|--|---|

JOINT APPLICATION

Utilities Inc. ("UI" or the "Company") owns all of the issued and outstanding stock of four utilities operating in Nevada: Utilities Inc. of Nevada ("UIN"), Sky Ranch Water Service Corp. ("Sky Ranch"), Utilities Inc. of Central Nevada ("UICN"), and Spring Creek Utilities Co. ("Spring Creek" and together with UIN, Sky Ranch, and UICN the "Nevada Utilities"). Hydro Star, LLC ("Hydro Star"), through its wholly owned subsidiary Hydro Star Holdings Corporation, is the sole shareholder of UI. On February 17, 2012, Corix Utilities (Illinois) LLC ("Corix Utilities") entered into a Purchase and Sale Agreement ("PSA") with Highstar Capital Fund II, L.P. and certain of its affiliates and co-investors (collectively "Highstar") to acquire 100% of the membership interests in Hydro Star (the "Transaction") subject to all necessary regulatory approvals.

The Transaction falls within the purview of Section 704.329 of the Nevada Revised Statutes ("NRS"), which requires that any "person"¹ must obtain the approval of the Public Utilities Commission of Nevada (the "Commission") before directly or indirectly acquiring control of any holding company that holds a controlling interest in a public utility doing business

¹ A "person" is defined to include any form of business . . . organization . . . including, without limitation, a corporation, partnership, association, trusts or unincorporated organization." NRS 704.329, subsection 7. (a) (2).

1 in Nevada.²

2 When the Transaction closes, Corix Utilities will become the indirect owner of UI and
3 the Nevada Utilities. Pursuant to Section 704.329 of the NRS, UI, the Nevada Utilities, Hydro
4 Star and Corix Utilities (collectively the "Applicants"), respectfully request that the Commission
5 find that the Transaction is in the public interest and approve the transfer of indirect control of UI
6 and the Nevada Utilities to Corix Utilities pursuant to the PSA.

7 **I. INTRODUCTION**

8 The Transaction will not adversely affect the Nevada Utilities' customers. UI and the
9 Nevada Utilities have seasoned management teams and the day-to-day operations of the Nevada
10 Utilities will continue to be managed and operated in the same manner as they are currently
11 operated. Moreover, after the Transaction closes, the Nevada Utilities' employees will continue
12 to provide the same services using the same facilities. As a result of the Transaction, UI will
13 remain a first-tier, wholly-owned subsidiary of Hydro Star Holdings Corp. The Nevada Utilities,
14 each of which currently holds a certificate of public convenience and necessity ("CPCN") issued
15 by the Commission (which will not be transferred),³ will remain subsidiaries of UI, and the only
16 change will be that the parent company of UI's direct parent will be owned by Corix Utilities.
17 Consequently, through the Transaction, Corix Utilities will acquire both indirect control of
18 public utilities doing business in Nevada and an entity that holds a controlling interest in such
19 utilities.
20
21

22 **II. INFORMATION REGARDING THE APPLICANTS**

23 **A. CORIX UTILITIES AND CORIX INFRASTRUCTURE INC.**

24 All of the membership interests in Corix Utilities are held by a second-tier subsidiary of
25

26 ² NRS 704.329.

27 ³ NRS 704.410.

1 Corix Infrastructure Inc., a Canadian company that, together with its subsidiaries, is referred to
2 as the "Corix Group". The Corix Group is a leader in the implementation of sustainable water,
3 wastewater and energy infrastructure solutions for small to mid-sized communities across North
4 America. The Corix Group is well financed with stable long term funding, solid access to debt
5 financing and the capital markets, and geographic diversity. Ensuring ready access to capital
6 funds to support growth and the continued maintenance of critical infrastructure is vitally
7 important and has become increasingly so given today's turbulent financial markets.
8

9 The Corix Group has more than 70 years of experience and a team of over 2,000 highly
10 skilled employees. The Corix Group collectively manages over \$750 million in assets and
11 generated cumulative revenue of approximately \$540 million in 2011. The consolidated
12 financial statements of the Corix Infrastructure Inc. for the year ended December 31, 2011 are
13 attached to this Application as Exhibit A. The Applicants request that the Commission treat this
14 information as confidential; as such, Exhibit A is being filed under seal.
15

16 The Corix Group is currently engaged in water, wastewater, and energy utility and utility
17 service operations in 14 states consisting of Alaska, California, Colorado, Illinois, Michigan,
18 Missouri, New Hampshire, New Jersey, New York, Oklahoma, Texas, Virginia, Washington,
19 and Wisconsin. A description of the operations of the Corix Group is provided as Exhibit B.
20

21 Corix Utilities is a limited liability company organized under the laws of Delaware
22 engaged in the business of water, wastewater, and energy utilities and utility related products and
23 services. Corix Infrastructure Inc. is a private company whose primary owners are certain
24 affiliates of British Columbia Investment Management Corporation ("BC") and CAI Capital
25 Management Inc., two large and stable members of the North American investment community.⁴
26

27 ⁴ BC is an independent investment management corporation that manages a globally diversified investment portfolio of over \$85 billion. BC is a long-term investor in leading

1 Corix Utilities' principal executive offices are located near Milwaukee at 11020 W. Plank Court,
2 Wauwatosa, Wisconsin 53226, and its telephone numbers are 414-203-8700 and (toll free) 877-
3 678-3842.

4 Accompanying this Joint Application as Exhibit A is Corix Infrastructure Inc.'s most
5 recent consolidated financial statements. The consolidated financial statements provided in
6 Exhibit A include Corix Infrastructure Inc.'s (i) consolidated statement of income; (ii)
7 consolidated balance sheet; (iii) consolidated statement of shareowners' equity; and (iv)
8 consolidated statement of cash flows. A diagram of the Corix Group's corporate structure
9 accompanies this Application as Exhibit C. The current members of the management and board
10 of directors of Corix Infrastructure Inc. are set forth in the schedule accompanying this
11 Application as Exhibit D. The Applicants request that the Commission treat all of the
12 consolidated financial statements of Corix Infrastructure Inc. as confidential
13

14 All communications or correspondence regarding the Transaction or this Application
15 should be addressed or directed to the representatives for Corix Utilities as follows:
16

| | |
|---|--|
| 17 Laura K. Granier, Esq. 18 LIONEL SAWYER & COLLINS 19 50 West Liberty Street, Suite 1100 20 Reno, Nevada 89501 21 Telephone: (775) 788-8666 | Hamish Cumming Executive Vice President, Legal and Risk Management, Corporate Secretary CORIX INFRASTRUCTURE INC. 1160 -1188 West Georgia Street Vancouver, British Columbia V6E 4A2 Canada Telephone: (604) 697-6714 |
|---|--|

22
23 ///

24
25 utilities including Corix Infrastructure Inc., Puget Energy in Washington State, Thames Water
26 Utilities Limited, Britain's largest water and wastewater company, and Transelec S.A., Chile's
27 largest transition utility. CAI Capital Management Inc. is a private equity fund with over \$1.3
billion in North American Investments.

1 **B. UTILITIES, INC.**

2 UI is an Illinois corporation and is one of the largest water utility and water service
3 companies in private ownership within the United States. The Company provides water service
4 and wastewater disposal service to more than 290,000 customer equivalents in fifteen states. UI
5 and its affiliates currently have more than 400 employees, 28 of whom reside in Nevada.

6 The principal executive office of UI is 2335 Sanders Road, Northbrook, Illinois 60062
7 and, its telephone number is (847) 498-6440. UI is the sole shareholder of the Nevada Utilities,
8 which are all subject to regulation as public utilities by the Commission. The full names,
9 addresses and CPCN numbers of the Nevada Utilities and the type of utility service provided by
10 each are set forth below:
11

12 Utilities Inc. of Nevada
13 3670 Grant Drive, Suite 104
14 Reno, Nevada 89506
CPCN No. 827 (water)

15 Sky Ranch Water Services Corporation
16 3670 Grant Drive, Suite 104
Reno, Nevada 89509
CPCN No. 2468 (water)

17 Spring Creek Utilities Company
18 14891 Lamoille Highway
Spring Creek, Nevada 89815
19 CPCN Nos. 841 (water) and 872 (wastewater)

20 Utilities Inc. of Central Nevada
21 1240 E. State Street
Pahrump, NV 89048
CPCN No. 842 (water and wastewater)

22
23 UIN serves approximately 3,000 residential, commercial and irrigation water customers
24 in its Reno, Nevada, service territory. Sky Ranch has approximately 575 residential and
25 commercial customers in its service territory, which also is located in Reno, Nevada. In its Elko
26 County service territory, Spring Creek serves approximately 4,100 residential, commercial and
27

1 irrigation water customers and approximately 90 sewer customers. UICN serves approximately
2 4,400 residential, commercial and irrigation water customers and approximately 3,000 sewer
3 customers in its service territory. Additional information concerning the jurisdictional customers
4 of the Nevada Utilities by classification is contained in Exhibit E to this Application. The
5 Nevada Utilities' tariffs, attached as Exhibit F, include a description of each utility's service
6 territory. A general description of the Nevada jurisdictional facilities owned and operated by the
7 Nevada Utilities is contained in Exhibit G to this Application.⁵ The Transaction will have no
8 effect on the current service territories, tariffs or facilities of the Nevada Utilities.
9

10 UI's most recent consolidated financial statements accompany this Application as Exhibit
11 H. The consolidated financial statements provided in Exhibit H include UI's (i) balance sheet;
12 (ii) statement of income; (iii) statement of retained earnings; (iv) capital statements; and (v)
13 statement of cash flows for its most recent fiscal year. The Applicants request that the
14 Commission treat all of the consolidated financial statements of UI as confidential; as such,
15 Exhibit H is being filed under seal.
16

17 All communications or correspondence regarding the Transaction or this Application
18 should be also be addressed or directed to the attorneys and authorized representative for UI as
19 follows:
20

21 Laura K. Granier, Esq.
22 LIONEL SAWYER & COLLINS
23 50 West Liberty Street, Suite 1100
24 Reno, Nevada 89501
25 Telephone: (775) 788-8666

Steve Lubertozi
Executive Director of Regulatory Accounting
& Affairs
UTILITIES, INC.
2335 Sanders Road
Northbrook, Illinois 60062-6108
Telephone: (847) 498-6440

26 ///

27 ⁵ The 2011 annual reports for each of the Nevada Utilities will be filed with the Commission, and are hereby incorporated by this reference.

III. THE TRANSACTION

1
2 **A. Under the PSA Corix will acquire 100% of the membership interest in Hydro Star**

3 As previously explained, on February 17, 2012, Corix Utilities and Highstar entered into
4 the PSA. Exhibit I is a copy of the executed PSA, which the Joint Applicants request the
5 Commission to treat as confidential; as such, Exhibit I is being filed under seal. The PSA
6 provides that Corix Utilities' will acquire 100% of the membership interests in Hydro Star which,
7 through its wholly owned subsidiary, Hydro Star Holdings Corp., is the sole shareholder of UI.
8 UI and Hydro Star Holdings Corp. will not be affected by the Transaction. It is possible that
9 following the consummation of the Transaction, Corix Infrastructure Inc. will cause Corix
10 Utilities to merge with and into Hydro Star, LLC, thereby eliminating one of the intermediate
11 holding companies through which Corix Utilities will hold its interest in UI and its indirect
12 interest in the Nevada Utilities.
13

14 Diagrams depicting the organizational structure of UI and its parent entities both prior to
15 and following the Transaction accompany this Application as Exhibit J-1 and Exhibit J-2,
16 respectively. Additionally, accompanying this Application as Exhibit K is a schedule listing the
17 management and directors of UI. It is not anticipated that the Transaction will affect the current
18 management of the Nevada Utilities.
19

20 The consummation of the Transaction is conditioned upon (i) the expiration or early
21 termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust
22 Improvements Act of 1976, as amended (the "HSR Act"), (ii) any other required permits,
23 consents or regulatory approvals, including those of the state public utility (or service)
24 commission or other requisite governmental and/or regulatory authority in Nevada, North
25 Carolina, Kentucky, Florida, Pennsylvania, New Jersey, Illinois, Tennessee, Virginia, Louisiana,
26 and Maryland, *see* Section V *infra*, (iii) Corix Utilities' receipt of clearance from the Committee
27

1 on Foreign Investment in the United States ("CFIUS") that it has no unresolved national security
2 concerns, and (iv) the satisfaction or waiver of all other requisite conditions precedent to closing,
3 as set forth in Article VII of the PSA. The parties intend to consummate the Transaction as soon
4 as practicable after expiration or termination of the HSR Act waiting period, receipt of all other
5 requisite governmental and/or regulatory permits and approvals, receipt of CFIUS clearance, and
6 the satisfaction or waiver of all other requisite conditions precedent.⁶

7
8 The PSA is not subject to any financing contingency. Corix Utilities has access to funds
9 sufficient to pay the purchase price as set forth in the PSA.⁷ The Transaction is not expected to
10 have an impact on the debt ratings of either UI or Hydro Star Holdings Corp.

11 **B. The Transaction advances Corix's business strategies and is in the public interest**

12 The Corix Group aspires to be one of the leading multi-utility infrastructure provider in
13 North America. If approved, this acquisition would continue the successful execution of the
14 Corix Group's growth strategy. The Corix Group is committed to working closely with local
15 communities in providing sustainable utility infrastructure solutions across North America. The
16 strategy adopted by the Corix Group envisions developing a firm with international scale that
17 emphasizes customer care, delivery of price-competitive value-added products and services, and
18 state-of-the-art marketing and distribution methods. To implement this strategy, the Corix Group
19 has purchased and integrated several utilities systems valued at over \$500 million since 2008.
20 Corix Infrastructure Inc. identified UI, one of the largest privately owned water services utilities
21 in the United States, as an attractive candidate for acquisition that furthers its objective of
22 international diversification in the water services business. The Transaction will combine
23 Corix's financial and technical resources with UI's operational expertise in a way that will allow
24
25

26 ⁶ See PSA Article VII.

27 ⁷ See PSA § 5.5.

1 the Nevada Utilities to continue to provide water and wastewater service at just and reasonable
2 rates.

3 IV. THE TRANSACTION

4 **A. The Transaction will not impact competition in Nevada⁸**

5 The acquisition of Hydro Star will be transparent from the perspective of Nevada
6 customer and the operations of the Nevada utilities. Neither Corix Utilities nor any other
7 member of the Corix Group has existing assets or operations within the state of Nevada.
8 Following the acquisition, UIN, Sky Ranch, Spring Creek, and UICN will occupy the same
9 corporate organizational position and status within the Nevada market that the Nevada Utilities
10 did before the acquisition. The Transaction will not affect competition in the state of Nevada
11 because UI and Corix Utilities presently do not compete against one another in Nevada or
12 elsewhere in the United States. Based on these facts, the Applicants did not undertake any
13 analysis of the effect of the Transaction on competition beyond that discussed in the HSR Act
14 Notification and Report Form nor did UI conduct any analyses, reports and assessments relating
15 to the transaction. *See infra* Exhibit L. The Applicants request that the Commission treat the
16 HSR Act Notification and Report Form as confidential; as such, Exhibit L will be filed under
17 seal.
18
19

20 **B. The Transaction will not adversely affect rates**

21 The Transaction involves Corix Utilities' indirect acquisition of UI, the parent holding
22 company of the Nevada Utilities. Corix Infrastructure Inc. already has water utility and water
23

24 ⁸ With respect to the effect of the Transaction on shareholders and bondholders of each
25 company, the Applicants provide the following: Corix Utilities has access to sufficient capital to
26 pay the purchase price required under the PSA. If necessary, equity holders of Corix Utilities
27 will make equity contributions sufficient to provide Corix Utilities with such capital; Corix
Utilities currently has no bondholders. The current equity holders of Hydro Star will be
positively affected through payment of the purchase price to them in accordance with the PSA;
Hydro Star currently has no bondholders.

1 service assets and operations in the United States. This Transaction is, therefore, a market
2 expansion; however, there are no operational functions that will be eliminated or consolidated by
3 the Transaction. Consequently, the Transaction is not expected to produce financially
4 measurable cost savings for the Nevada Utilities. There are no transaction costs at the Nevada
5 Utilities level. All transaction costs are at the UI level and the Nevada Utilities will not be
6 requesting recovery of any such transaction costs in future ratemaking proceedings. UI estimates
7 the cost of the Transaction to be approximately \$8,600,000. In addition, the Applicants also will
8 not seek recovery of any acquisition premiums paid by Corix Utilities in the Transaction in
9 future rate proceedings of the Nevada Utilities. The Transaction will not itself change the rates,
10 regulation or structure of any of the Nevada Utilities regulated by the Commission. For these
11 reasons, the Transaction can have no adverse effects on the customers of the Nevada Utilities,
12 and, therefore, no technical analysis of such possible effects is necessary.

13
14 The Transaction will produce benefits for the owners of Corix Utilities and UI and for the
15 customers of the Nevada Utilities. The acquisition of UI will add to the geographic diversity of
16 the water utility and water services business of the Corix Group and UI will gain strong financial
17 backing. Additionally, the economic, technological, and managerial resources available to the
18 Nevada Utilities will expand as a result of their affiliation with the Corix Group.

19
20 **C. The Transaction will not affect the operation of the Nevada Utilities**

21 The Transaction will occur above the UI holding company level—i.e., Corix Utilities will
22 acquire 100% of the parent of UI's direct parent, and the Transaction will not affect the
23 ownership structure or operations of the operating companies owned and operated by UI,
24 including the Nevada Utilities. The Nevada Utilities will maintain their separate corporate
25 existence and will continue to operate as public utilities subject to appropriate Commission
26 oversight. Consequently, the commitments and responsibilities of UIN, Sky Ranch, Spring Creek
27

1 and UICN as public utilities will not be compromised by the consummation of the Transaction.

2 The Transaction involves no structural change in the Nevada Utilities or their operations
3 and, consequently, will have no direct impact on these utilities or on the prices they are permitted
4 to charge their current customers. Because the Nevada Utilities' corporate structures will remain
5 unchanged and because neither UI nor Corix Utilities is a regulated Nevada utility, the
6 Transaction will not change the rates, terms or conditions for the provision of water services by
7 any regulated Nevada subsidiary of UI. Moreover, the Transaction will not be detrimental to the
8 quality of service rendered to the customers of the Nevada Utilities.
9

10 Similarly, no operations, lines, other plant, franchises, or permits of the Nevada Utilities
11 will be acquired by, or merged with, the lines, other plant, franchises, or permits of any other
12 regulated public utility. The Transaction will not change matters subject to ongoing regulation
13 by this Commission and, therefore, no change in the regulatory status or ratemaking methods of
14 the Nevada Utilities is necessary or appropriate as a consequence of the Transaction.
15 Accordingly, although the proposed transaction does not result in any obvious gains in efficiency
16 or reduction in costs at this time, it may enhance the Nevada Utilities' ability to effectively
17 access capital markets on reasonable terms.
18

19 Finally, Corix Utilities believes in maintaining a strong local community presence and
20 being a long-term partner in communities where it operates. Accordingly, Corix Utilities plans to
21 maintain UI's local presence in those communities in which UI currently has operations.
22

23 **V. OTHER REGULATORY REVIEWS OF THE TRANSACTION**

24 Certain federal, state and municipal regulatory or governmental agencies have
25 jurisdiction to review and approve the Transaction, as summarized below.

26 **A. THE HSR ACT**

27 Corix Utilities and Highstar will file a Notification and Report Form Pursuant to the HSR

1 Act. A copy of the HSR Act Notification and Report Form will be provided once it has been
2 filed. The Applicants request that the Commission treat the HSR Act Notification and Report
3 Form as confidential.

4 **B. SECURITIES AND EXCHANGE COMMISSION FILINGS**

5 UI is privately owned and its common stock is not listed on any stock exchange or
6 publicly traded. Therefore, UI is not required to file any documents with the United States
7 Securities and Exchange Commission ("SEC") in connection with the Transaction. Likewise,
8 Corix Utilities is not a publicly traded company and, therefore, it is not required to file any
9 documents with the SEC in connection with the Transaction.
10

11 **C. STATE PUBLIC UTILITIES COMMISSION REGULATORY APPROVALS**

12 **1. Arizona**

13 UI owns and operates one water service utility company located in Arizona. No
14 regulatory review or approval of the Transaction is required under Arizona law.
15

16 **2. Florida**

17 The Company owns and operates eighteen water and sewer service utility companies in
18 Florida. An application for review and approval of the Transaction has been filed with the
19 Florida Public Service Commission. The Applicants will supplement the Application with a
20 copy of the Florida application, when it is filed, which will become Exhibit M-1.

21 **3. Georgia**

22 UI owns and operates two water and sewer service utility company in Georgia. No
23 regulatory review or approval of the Transaction is required under Georgia law.
24

25 **4. Illinois**

26 The Company owns and operates twenty-one water and sewer service utility companies
27 in Illinois. The Applicants will supplement the Application with a copy of the Illinois

1 application, when it is filed, which will become Exhibit M-2.

2 **5. Indiana**

3 UI owns and operates three water and sewer service utility companies in Indiana. No
4 regulatory review or approval of the Transaction is required under Indiana law.

5 **6. Louisiana**

6 The Company owns and operates two water and sewer service utility companies in
7 Louisiana. The Applicants will supplement the Application with a copy of the Louisiana
8 notification letter, when it is filed, which will become Exhibit M-3.

9 **7. Maryland**

10 UI owns and operates four water and sewer service utility companies in Maryland. The
11 Applicants will supplement the Application with a copy of the Maryland notification letter, when
12 it is filed, which will become Exhibit M-4.

13 **8. Kentucky**

14 The Company owns and operates one water and sewer service utility company in
15 Kentucky. The Applicants will supplement the Application with a copy of the Kentucky
16 application, when it is filed, which will become Exhibit M-5.

17 **9. New Jersey**

18 UI owns and operates two water and sewer service utility companies in New Jersey. The
19 Applicants will supplement the Application with a copy of the New Jersey application, when it is
20 filed, which will become Exhibit M-6.

21 **10. North Carolina**

22 The Company owns and operates eleven water and sewer service utility companies in
23 North Carolina. The Applicants will supplement the Application with a copy of the North
24 Carolina application, when it is filed, which will become Exhibit M-7.

1 **11. *Pennsylvania***

2 The Company owns and operates four water and sewer service utility companies in
3 Pennsylvania. The Applicants will supplement the Application with a copy of the Pennsylvania
4 application, when it is filed, which will become Exhibit M-8.

5 **12. *South Carolina***

6 UI owns and operates six water and sewer service utility companies in the state of South
7 Carolina. No regulatory review or approval of the Transaction is required under South Carolina
8 law.
9

10 **13. *Tennessee***

11 The Company owns and operates one water and sewer service utility company in
12 Tennessee. The Applicants will supplement the Application with a copy of the Tennessee
13 application, when it is filed, which will become Exhibit M-9.

14 **14. *Virginia***

15 UI owns and operates one regulated water and sewer service utility company and one
16 unregulated sewer utility company in Virginia. The Applicants will supplement the Application
17 with a copy of the Virginia applications, when filed, which will become Exhibit M-10.
18

19 **D. LOCAL GOVERNMENT APPROVALS**

20 UI owns and operates Utilities, Inc. of Sandalhaven, which is a water service utility
21 company subject to the regulatory jurisdiction of the County of Charlotte, Florida. The
22 Applicants will supplement the Application with a copy of the County of Charlotte notification,
23 when it is delivered, which will become Exhibit M-11.
24

25 UI owns and operates two water and wastewater utilities in Bay County, Florida which
26 are currently subject to Bay County jurisdiction. Each of the utilities is party to a purchase and
27 sale agreement wherein the utility's assets will be sold to the city in Bay County where its assets

1 are located. Pursuant to each agreement, Bay County will relinquish jurisdiction of the subject
2 utility upon closing of the sale transaction. The Company anticipates that both Bay County
3 transactions will close prior to the closing of this Transaction. Consequently, the Company does
4 not currently plan to file with Bay County a transfer application for this Transaction.

5 **E. INTERNATIONAL APPROVALS**

6 The Transaction is not subject to any non-US approvals or filings.

7 **VI. SCHEDULE OF EXHIBITS**

8 Attached and made a part of this Application by reference herein are the following
9 documents.
10

| EXHIBIT | TITLE |
|---------|--|
| A | Most recent consolidated financial statements of the Corix Group for the year ended December 31, 2011 (filed under seal) |
| B | Description of the operations of the Corix Group |
| C | Corix: Corporate Structure Organization Diagram. |
| D | Corix: Schedule Of Officers and Board of Directors. |
| E | Utilities, Inc.: Schedule Of Nevada Jurisdictional Customers By Category. |
| F-1 | Utilities, Inc. of Nevada: Tariff And Service Territory. |
| F-2 | Sky Ranch Water Services Corporation: Tariff And Service Territory. |
| F-3 | Spring Creek Utilities Company: Tariff and Service Territory. |
| F-4 | Utilities Inc. of Central Nevada: Tariff and Service Territory. |
| G | Utilities, Inc.: Description Of Nevada Jurisdictional Facilities Owned And Operated By Nevada Utilities. |
| H | Utilities, Inc.'s most recent: Consolidated Financial Statements (filed under seal) |
| I | Purchase Agreement Dated February 17, 2012. (filed under seal) |
| J-1 | Utilities, Inc.: Pre-Merger Corporate Organization Chart. |
| J-2 | Utilities, Inc.: Post-Merger Corporate Organization Chart. |
| K | Utilities, Inc.: Schedules Of Management And Directors. |

| | |
|---|---|
| L | Hart-Scott-Rodino Notification and Report Form (to be provided via a supplemental filing). |
| M | State And Local Regulatory Approval Applications (M-1 Through M-11). (to be provided via a supplemental filing) |

VII. CONCLUSION

This Transaction is in the public interest. The Corix Group is an experienced utility owner and operator and is fit, willing, and able to finance, own, and operate the Nevada Utilities. As part of Corix Utilities and the Corix Group, the Nevada Utilities will have access to a wide spectrum of technical and industry expertise in all facets of sustainable water and wastewater systems, including innovative technologies, operating tools, and regulatory resources required to develop sustainable services. The Transaction is not expected to result in any change in the management or operation of the Nevada Utilities. Thus, the Transaction will combine Corix Utilities' financial resources with the operational expertise of existing management in a fashion that will be seamless from the perspective of the Nevada Utilities' customers and allow the Nevada Utilities to continue to provide adequate and uninterrupted water and wastewater service to Nevadans.

For the reasons set forth herein, Applicants respectfully request that the Commission issue an Order pursuant to NRS 704.329 finding that the Transaction is in the public interest and approving (a) the transfer of indirect control of UI to Corix Utilities; and (b) the transfer of indirect control of UIN, Sky Ranch, Spring Creek, and UICN to Corix Utilities. The Applicants further request that the Commission consider and act upon the Application expeditiously. An expedited ruling on this Application will remove a significant layer of uncertainty and allow the

///

///

///

27

1 Nevada Utilities to confidently engage in the business of providing utilities services to
2 Nevada customers.

3 Dated this 16th day of April, 2012.

4 LIONEL SAWYER & COLLINS

5
6 By: 

Laura K. Granier, Esq.

Nevada Bar No. 7357

1100 Bank of America Plaza

50 West Liberty Street

Reno, Nevada 89501

7
8
9
10 Attorneys for Utilities, Inc. and Corix Utilities
(Illinois) LLC

11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

CERTIFICATE OF SERVICE

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

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

Eric Witkoski
Consumer Advocate
BUREAU OF CONSUMER PROTECTION
Attorney General's Office
555 E. Washington Street, Suite 3900
Las Vegas, NV 89101

VIA U.S. MAIL

Tamara Cordova, Staff Counsel
PUBLIC UTILITIES COMMISSION OF NEVADA
101 Convention Center Drive, Suite 250
Las Vegas, Nevada 89109

VIA U.S. MAIL



Jeanette Sparks

**Norris
McLaughlin
& Marcus, P.A.**
ATTORNEYS AT LAW

2012 APR 13 PM 2:10

BOARD OF PUBLIC UTILITIES
NEWARK, NJ

Direct Dial: (908) 252-4230
Email: wgreinhard@nmmlaw.com

April 13, 2012

BPU MAILROOM

APR 13 2012

RECEIVING

VIA HAND DELIVERY

Honorable Kristi Izzo, Secretary
New Jersey Board of Public Utilities
44 S. Clinton Avenue, 8th Fl.
Trenton, NJ 08625

RE: In the Matter of the Joint Petition of Utilities, Inc. and
Montague Water and Sewer Companies for Approval
of a Change in Control
Docket No. WM0412040313

Dear Secretary Izzo:

Enclosed please find 11 copies of the Preliminary Public Copy of the Purchase and Sale Agreement dated as of February 17, 2012, submitted as Exhibit A to the Petition in the captioned matter filed with the Board of Public Utilities this day.

CMS
WATER(9)

Respectfully submitted,



Walter G. Reinhard

WGR:mc
Enclosure

cc w/encl:

Caroline Vachier, Esq., Deputy Attorney General
Hon. Stefanie A. Brand, Esq., Director, Division of Rate Counsel
Ms. Eileen DeFabiis, Clerk, Township of Montague
Mr. Mark Beyer
Ms. Maria Moran
Susan E. McClure, Esq., Rate Counsel
Mr. Steven M. Lubertozzi



NJ: 721 Route 202-206, Suite 200 P.O. Box 5933 Bridgewater, NJ 08807-5933 • P: (908) 722-0700 • F: (908) 722-0755
NY: 875 Third Avenue, 8th Floor New York, NY 10022 • P: (212) 808-0700 • F: (212) 808-0844
PA: The Paragon Centre, Suite 300 1611 Pond Road Allentown, PA 18104-2258 • P: (610) 391-1800 • F: (610) 391-1805
www.nmmlaw.com E: info@nmmlaw.com

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

**In The Matter of The Joint Petition of
Utilities, Inc. and Montague Water and
Sewer Companies for Approval of a
Change in Control of Certain New Jersey
Public Utilities**

VERIFIED PETITION
DOCKET NO: WM0412_____

TO THE HONORABLE BOARD OF PUBLIC UTILITIES
OF THE STATE OF NEW JERSEY:

Petitioners, Utilities, Inc., and its New Jersey public utility subsidiaries, Montague Water Company, Inc. and Montague Sewer Company, Inc. (the "Montague Companies"), respectfully request that the Board of Public Utilities ("Board") approve a change in control of the Montague Companies pursuant to N.J.S.A. 48:2-51.1. The change in control will be effected by the consummation of the transaction contemplated in a Purchase and Sale Agreement ("Agreement"), dated as of February 17, 2012 among Highstar Capital Fund II, L.P. and certain of its affiliates and co-investors ("Highstar"), and Corix Utilities (Illinois) LLC, a Delaware limited liability company ("Corix Utilities"). The Agreement provides for the indirect acquisition by Corix Utilities of all of the equity ownership of Utilities, Inc. the parent of the Montague Companies, by acquiring all of the issued and outstanding membership interests in Hydro Star, LLC ("Hydro Star") which is the holding company of Utilities, Inc.'s parent company, Hydro Star Holdings Corporation ("HSHC"), and therefore the indirect owner of 100% of Utilities, Inc. Following the proposed transaction, each of Utilities, Inc. and the Montague Companies will continue their current corporate existence.

Background

1. Utilities, Inc. is a corporation organized in the State of Illinois, with its principal office located at 2335 Sanders Road, Northbrook, Illinois 60062, and is one of the largest privately-owned water and wastewater utility companies in the United States, providing water and wastewater services to approximately 290,000 residential customer equivalents in fifteen states, including New Jersey. Utilities, Inc. is the direct owner of all issued and outstanding capital stock of each of the Montague Companies as approved by the Board on December 16, 1996 in Docket No. WM96060475.

2. Corix Utilities is owned indirectly by Corix Infrastructure Inc., a member of the Corix Group of Companies (the "Corix Group"). The Corix Group is an experienced utility owner and operator of water and waste water facilities and is fit, willing and able to finance, own and operate Utilities, Inc. and the Montague Companies. It is currently engaged in water, wastewater and energy utility and utility service operations in 14 states including Alaska, California, Colorado, Illinois, Michigan, Missouri, New Hampshire, New Jersey, New York, Oklahoma, Texas, Virginia, Washington and Wisconsin.

3. The Agreement provides that all of the issued and outstanding membership interests in Hydro Star will be acquired by Corix Utilities in exchange for cash consideration. This will make Corix Utilities the sole owner of Hydro Star, which, through its ownership of HSHC, owns all of the issued and outstanding shares of Utilities, Inc. Following the consummation of the proposed transaction, Utilities, Inc. will continue its corporate existence as a wholly-owned subsidiary of HSHC.

a. Subsequent to the consummation of the transactions contemplated by the Agreement, Corix Utilities may merge with and into Hydro Star, thereby eliminating one of the

intermediate holding companies through which Corix Utilities will hold its interest in Utilities, Inc. and its indirect interest in the Montague Companies. If this post-acquisition consolidation is undertaken, it will have no regulatory or ownership impact relevant to New Jersey.

4. Following the proposed transaction, the Montague Companies will continue to be wholly-owned subsidiaries of Utilities, Inc. and will continue to exist as New Jersey public utility corporations subject to the jurisdiction and regulation of the Board.

5. The consummation of the proposed transaction contemplated by the Agreement is conditioned upon, among other things, obtaining receipt of all necessary regulatory approvals, including the approval of the Board.

6. This petition is filed pursuant to N.J.S.A. 48:2-51.1 which provides that any person acquiring or seeking to acquire “control of a public utility directly or indirectly through the medium of an affiliated or parent corporation or organization or through the purchase of shares . . . or through any other manner” shall obtain written approval of the Board.

a. Since there will be no actual or book transfer of any stock of an operating utility within the contemplation of N.J.S.A. 48:3-10, this petition does not seek approval pursuant to that provision; however, in the event that the Board determines that issues ordinarily considered under N.J.S.A. 48:3-10 are relevant to this transaction, an analysis of the regulatory requirements is also included below.

7. N.J.S.A. 48:2-51.1. In considering a request for approval pursuant to N.J.S.A. 48:2-51.1, the Board is required to “evaluate the impact of the acquisition on competition, on the rates of ratepayers affected by the acquisition of control, on the employees of the affected public utility or utilities, and on the provision of safe and adequate utility service at just and reasonable rates.”

8. Competition. The transaction contemplated by the Agreement will not adversely impact competition because the Montague Companies will continue to operate in their current franchise territories under the same market conditions which currently exist. The transaction will not in any way impair the access of the Montague Companies to capital, and Utilities, Inc. will be able to continue to compete for the provision of water and wastewater services to small, troubled systems which have been its traditional market and to municipalities interested in transferring their systems or their service obligations to private water companies and for the potential acquisitions of other smaller water and wastewater companies.

9. Customer Rates. The proposed transaction will not have any impact on the existing rates for the Montague Companies. Montague Water and Sewer will continue to operate under their existing tariffs and rate structures. There will be no rate increases to customers as a result of the proposed transaction. Future rate applications will be dependent upon the Montague Companies' results of operations and will be adjudicated by this Board. There will be no immediate changes in the balance sheets or financial positions of the Montague Companies as a result of the proposed transaction. Corix Utilities will not seek to recover from customers any transaction costs or acquisition premiums relating to the proposed transaction.

10. Employees. The transaction contemplated by the Agreement is not expected to have any impact on the employees that operate the Montague Companies. After the transfer of control, the day-to-day operations of the Montague Companies will continue to operate as they are currently operated. It is expected that local management and operational staff will remain unchanged.

11. Provision of Safe and Adequate Service. As it has since 1996, Utilities, Inc. will see to it that the Montague Companies continue to provide safe, adequate and reliable service to

their customers in fulfillment of their obligations under New Jersey law. By maintaining continuity of local administrative and operational personnel, Utilities, Inc. will assure that employees familiar with the requirements of the New Jersey customers and of this Board retain responsibility for the New Jersey operations.

12. N.J.S.A. 48:3-10 Issues. The regulations adopted under N.J.S.A. 48:3-10, N.J.A.C. 14:1-5.10, require applicants to provide information regarding the reasons for the stock transfer, an explanation of anticipated changes in the Board of Directors, officers, managers, and company policies and a description of the qualifications of management.

13. Reasons For Transaction. The principal reason for the proposed transaction is a desire by Highstar to sell, and the desire by Corix Utilities to purchase all of the issued and outstanding membership interests in Hydro Star. The Petitioners believe that the result will be to provide Utilities, Inc. with a stronger, more viable competitive position as part of the Corix Group. As traditionally analyzed by the Board, the proposed transaction will have no adverse impact on the public interest. Corix Utilities, together with its parent and affiliates, is well financed with stable long term funding and solid access to debt financing, capital markets and geographical diversity. The Corix Group collectively manages over \$750 million in assets and generated cumulative revenue of approximately \$540 million in 2011. It employs over 2,200 people across North America. Ensuring ready access to capital funds to support growth, infrastructure revitalization and continued critical maintenance is vitally important and increasingly so in today's turbulent financial markets.

The customers of the Montague Companies will benefit from consummation of the proposed transaction because the Montague Companies will have access to a wide spectrum of technical and industry expertise in all facets of sustainable water, wastewater and energy

systems, including innovative technologies, operating tools and regulatory resources required to develop sustainable multi-utility services.

14. Management, Officers and Board of Directors. The Agreement does not contemplate any changes in the management of the Montague Companies. Thus, Montague Water Company, Inc. and Montague Sewer Company, Inc. will continue to have proven management experience and capability to provide safe, adequate and proper service to the public.

15. No Change In Utility Policies. The transaction contemplated by the Agreement will not result in any immediate changes in the Montague Companies' policies with respect to service to customers, employees, operations, financing, accounting, capitalization, rates, depreciation, maintenance, or other matters affecting the public interest or utility operations.

16. Attached hereto and made a part hereof is the following exhibit:

Exhibit A – Purchase and Sale Agreement dated as
of February 17, 2012
[Submitted Confidentially Under Separate Cover]

17. Copies of this Petition have been served upon the Hon. Jeffrey S. Chiesa, Esq., Attorney General of New Jersey by serving Caroline Vachier, Esq., Deputy Attorney General, BPU Section Chief, the Hon. Stefanie A. Brand, Esq., Director, Division of Rate Counsel and the Clerk of the Township of Montague.

18. All correspondence and communications related to this proceeding should be addressed to the following:

Walter G. Reinhard, Esq.
Norris, McLaughlin & Marcus
721 Route 202-206, Suite 200
P.O. Box 5933
Bridgewater, NJ 08807-5933
e-mail: wgreinhard@nmmlaw.com

With a copy to:

Mr. Steven M. Lubertozi
Executive Director, Regulatory Accounting & Affairs
Utilities, Inc.
2335 Sanders Road
Northbrook, IL 60062
e-mail: SMLubertozi@uiwater.com

19. The Petitioners respectfully request that the Board process this matter and issue the requested relief on an expedited basis so as to avoid delay in the consummation of the proposed transaction and implementation of the benefits, as discussed above, to be derived therefrom.

WHEREFORE, the Petitioners respectfully request:

That the Board issue an Order (i) approving the change in control of Montague Water Company and Montague Sewer Company as contemplated in the Purchase and Sale Agreement dated as of February 17, 2012; (ii) authorizing Corix Utilities, pursuant to the Agreement, to acquire indirect control of the Montague Companies, pursuant to N.J.S.A. 48:2-51.1; (iii) determining that no further approval of the Board is required with regard to the Agreement and any incidental post-acquisition consolidations; and (iv) granting such other and further relief as the Board may deem appropriate or necessary to effectuate the terms of the Agreement.

Respectfully submitted,

NORRIS, McLAUGHLIN & MARCUS
A professional corporation
Attorneys for Petitioners

By:

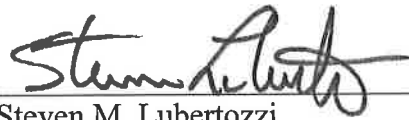

Walter G. Reinhard

Dated: April 13, 2012
Bridgewater, NJ

CERTIFICATION

Steven M. Lubertozi certifies as follows:

1. I am the Executive Director of Regulatory Accounting & Affairs of Utilities, Inc. and am authorized to make this Certification on its behalf.
2. I have read the contents of the foregoing Petition. The facts stated therein are true to the best of my knowledge, information and belief.
3. The above statements made by me are true. I am aware that if any of the above statements made by me is willfully false, I am subject to punishment.



Steven M. Lubertozi
Executive Director of Regulatory Accounting

Dated: April 11, 2012
Northbrook, IL

STATE OF NEW JERSEY
BOARD OF PUBLIC UTILITIES

**In The Matter of The Joint Petition of
Utilities, Inc. and Montague Water and
Sewer Companies for Approval of a
Change in Control of Certain New Jersey
Public Utilities**

:
:
:
:
:
:
:

DOCKET NO: WM0412_____

**EXHIBIT A TO
VERIFIED PETITION**

EXECUTION COPY

PURCHASE AND SALE AGREEMENT

by and among

CORIX UTILITIES (ILLINOIS) LLC

and

THE PERSONS SET FORTH ON SCHEDULE A HERETO

Dated as of February 17, 2012

CONFIDENTIAL

RECEIVED
2012 APR 13 PM 1:18
PA PUC
SECRETARY'S BUREAU

April 13, 2012

Daniel P. Delaney
D 717.231.4516
F 717.231.4501
dan.delaney@klgates.com

Via Hand Delivery

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Bldg., 2nd Floor
400 North Street
Harrisburg, PA 17120

Re: Joint Application of Penn Estates Utilities, Inc., Utilities, Inc. of Pennsylvania, Utilities, Inc. - Westgate, Utilities, Inc., Highstar Capital Fund II, L.P. and Corix Utilities (Illinois) LLC for Approval for a Transfer of Membership Interests Resulting In A Change of Control of Utilities, Inc.'s Pennsylvania Subsidiaries, Dkt. No. A - _____

Petition for Protective Order, Dkt. No. P - _____

Dear Secretary Chiavetta:

Enclosed please find an original and three copies of the Joint Application for Approval for a Change of Control of Penn Estates Utilities, Inc., Utilities, Inc. of Pennsylvania, and Utilities, Inc. - Westgate. Also enclosed is a check for the Public Utility Commission's ("Commission's") filing fee and a copy of the Application and public exhibits on CD.

Highly Confidential Exhibits A, B and C to the Application contain information which the Joint Applicants consider Confidential and Proprietary and therefore request the Commission to treat these exhibits as Highly Confidential and not place them in a public file. Three copies of the Highly Confidential exhibits are contained in an envelope marked "Highly Confidential" included with this filing.

The Joint Applicants respectfully request the Commission to expedite its approval of this Application to allow the parties to complete the proposed transaction as soon as possible. The proposed acquisition of the Companies will be seamless to customers and employees and an expedited ruling will remove uncertainty and allow the Companies to confidently engage in the business of providing utility services in Pennsylvania.

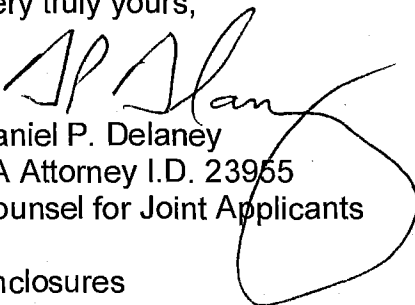
Rosemary Chiavetta, Secretary
April 13, 2012
Page 2

Petition for Protective Order.

Also enclosed are an original and three copies of a Petition for Protective Order limiting the disclosure of Highly Confidential information contained in Exhibits A, B and C to the Application. The Joint Applicants file this Petition pursuant to Section 5.423(b) of the Commission's regulations, 52 Pa. Code § 5.423(b). A digital copy of the Petition is provided on the CD included with this filing.

Copies of these documents have been served on the parties identified on the enclosed certificate of service.

Very truly yours,



Daniel P. Delaney
PA Attorney I.D. 23955
Counsel for Joint Applicants

Enclosures

c: Bohdan R. Pankiw, Esq., Chief Counsel (w/encs.)
Paul Diskin, Bureau of Technical Utility Services (w/encs.)
Steven M. Lubertozi (w/encs.)
Certificate of Service (w/encs.)

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Joint Application of Penn Estates Utilities,
Inc., Utilities, Inc. of Pennsylvania,
Utilities, Inc. - Westgate, Utilities, Inc.,
Highstar Capital Fund II, L.P. and Corix
Utilities (Illinois) LLC for Approval for a
Transfer of Membership Interests Resulting
In A Change of Control of Utilities, Inc.'s
Pennsylvania Subsidiaries

Docket Nos. A - _____
A - _____
A - _____

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true and correct copy of the foregoing documents upon the individuals listed, in accordance with the requirements of Section 1.54 (relating to service by a party).

Via Hand Delivery

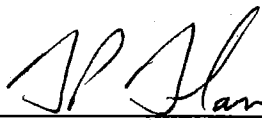
Christine M. Hoover
Office of Consumer Advocate
555 Walnut Street
Forum Place, Fifth Floor
Harrisburg, PA 17101-1923

Allison C. Kaster, Esq.
Bureau of Investigation and Enforcement
Pennsylvania Public Utility Commission
Commonwealth Keystone Building, 2nd Floor
400 North Street
Harrisburg, PA 17101

Via U.S. Mail

Office of Small Business Advocate
Commerce Building, Suite 1102
300 North Second Street
Harrisburg, PA 17101

K&L Gates LLP
17 North Second Street, 18th Floor
Harrisburg, PA 17101-1507
(717) 231-4500
(717) 231-4501 (Fax)
dan.delaney@klgates.com


Daniel P. Delaney
PA Attorney I.D. 23955

Counsel for Joint Applicants

Dated: April 13, 2012

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Joint Application of Penn Estates Utilities, :
Inc., Utilities, Inc. of Pennsylvania, : Docket Nos. A - _____
Utilities, Inc. - Westgate, Utilities, Inc., :
Highstar Capital Fund II, L.P. and Corix : A - _____
Utilities (Illinois) LLC for Approval for a :
Transfer of Membership Interests Resulting : A - _____
In A Change of Control of Utilities, Inc.'s :
Pennsylvania Subsidiaries :

JOINT APPLICATION FOR APPROVAL OF A CHANGE OF CONTROL

By this Application, Penn Estates Utilities, Inc. ("PEUI"), Utilities Inc. of Pennsylvania ("UIP"), Utilities, Inc. – Westgate ("Westgate"), Utilities, Inc., Highstar Capital Fund II L.P. and certain of its affiliates and co-investors ("Highstar"), and Corix Utilities (Illinois) LLC ("Corix") (collectively, the "Joint Applicants") hereby request all necessary approvals from the Pennsylvania Public Utility Commission ("Commission") authorizing the transfer by sale of Highstar's membership interests in Hydro Star LLC ("Hydro Star") to Corix. Because Highstar owns 100% of the membership interests in Hydro Star, which indirectly, through Utilities, Inc. and Hydro Star Holdings Corporation, owns 100% of PEUI, UIP and Westgate, the proposed transaction will result in a change of the controlling interest in PEUI, UIP and Westgate, as defined in the Commission's Policy Statement at Section 69.901 of the Commission's regulations, 52 Pa. Code § 69.901. The Joint Applicants respectfully request the Commission to issue certificates of public convenience, pursuant to Section 1102(a)(3) of the Public Utility Code, 66 Pa. C.S. § 1102(a)(3), evidencing the Commission's approval of the proposed transaction.

The proposed transaction, to take place at the holding company level, several levels above PEUI, UIP and Westgate, will not affect the day-to-day operations of the

Pennsylvania utilities owned and operated directly by Utilities, Inc., and indirectly by Hydro Star, and is in the public interest because, when owned indirectly by Corix (together with its affiliates, the "Corix Group"), PEUI, UIP and Westgate will have access to stable long term funding and enhanced technical expertise, and because the proposed transaction will not affect the provision of reliable service at just and reasonable rates to the customers of PEUI, UIP and Westgate. The Joint Applicants request the issuance of all other approvals or certificates necessary or appropriate under the Public Utility Code to complete the proposed transaction identified in this Application. In support of this Application, the Joint Applicants respectfully represent the following.

1. The principal business address, telephone number and contact number for Utilities, Inc. and its Pennsylvania subsidiaries are:

Steven M. Lubertozi
Executive Director of Regulatory Accounting and Affairs
Utilities, Inc.
2335 Sanders Road
Northbrook, IL 60062-6196
(847) 498-6440
(847) 498-6469 (fax)
smlubertozi@uiwater.com

The name and address of Joint Applicants' counsel are:

Daniel P. Delaney, Esq.
PA Attorney I.D. 23955
George A. Bibikos, Esq.
PA Attorney I.D. 91249
K&L Gates LLP
17 North Second Street, 18th Floor
Harrisburg, PA 17101-1507
717-231-4500
717-231-4501 (fax)
dan.delaney@klgates.com
george.bibikos@klgates.com

Telephone inquiries and written correspondence or other communications concerning this Application should be directed to counsel identified above.

2. Penn Estates Utilities, Inc. is a Pennsylvania public utility that provides water and wastewater services to approximately 1,600 customers and approximately 50 availability service customers in its authorized service territory in portions of Stroud and Pocono Townships in Monroe County, Pennsylvania. PEUI received its authority from the Commission by final order and certificate of public convenience issued on February 10, 1997 at Dkt. Nos. A-210072 and A-230063.

3. Utilities, Inc. of Pennsylvania is a Pennsylvania public utility that provides wastewater service to approximately 2,300 customers and two elementary schools in its authorized service territory in portions of West Bradford Township in Chester County, Pennsylvania. UIP received its authority from the Commission by order and certificate of public convenience issued on August 26, 1992 at Dkt. No. A-230013.

4. Utilities, Inc. - Westgate is a Pennsylvania public utility that provides water service to approximately 800 residential and commercial customers in its authorized service territory adjacent to Bethlehem, Pennsylvania. Westgate received its authority from the Commission by order and certificate of public convenience issued on June 21, 2001 at Dkt. No. A-210093.

5. Highstar owns all of the membership interests in Hydro Star which, through its wholly owned subsidiary Hydro Star Holdings Corporation, is the sole shareholder of Utilities, Inc. Utilities, Inc., in turn, owns PEUI, UIP and Westgate. The Commission approved Hydro Star's acquisition of the membership interests in Nuon Global Solutions USA Inc. ("NGSU"), which was the sole shareholder of Utilities, Inc., in

2006. See *Application of Penn Estates Utilities, Inc.*, Docket No. A-210072F0003, *et al.* (Order entered October 2, 2006). NGSU subsequently changed its name to Hydro Star Holdings Corporation.

6. Corix is a limited liability company organized under the laws of Delaware. Corix is indirectly owned by Corix Infrastructure Inc., which is a privately held corporation principally owned by certain affiliates of British Columbia Investment Management Corporation and CAI Capital Partners. The Corix Group is engaged in the business of water, wastewater and energy utilities and utility related products and services.

I. DESCRIPTION OF THE PROPOSED TRANSACTION.

7. Pursuant to a Purchase and Sale Agreement, dated as of February 17, 2012 (the "Agreement"), Corix will acquire 100% of the membership interests in Hydro Star from Highstar. Hydro Star, through Hydro Star Holdings Corporation, owns 100% of Utilities, Inc., which, together with its subsidiaries, owns and operates a portfolio of regulated utilities in 15 states. The Agreement together with the attached Disclosure Schedule are contained in Highly Confidential Exhibit A to this Application. The Agreement and Disclosure Schedule contain information which the Joint Applicants consider to be proprietary and highly confidential and therefore request the Commission to treat such documents as Highly Confidential documents. All of the outstanding equity interests in PEUI, UIP and Westgate are held directly by Utilities, Inc. and indirectly by Hydro Star. Upon the consummation of the transactions contemplated by the Agreement, Corix, through its proposed acquisition of Hydro Star, will indirectly acquire

100% of the ownership interests in Utilities, Inc. and, as a result, indirectly hold 100% of the ownership interests in PEUI, UIP and Westgate.

8. The consummation of the transactions contemplated by the Agreement is conditioned upon (i) the expiration or early termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), (ii) receipt of any other required permits or consents or regulatory approvals, including those of the state public utility (or service) commission or other required governmental and/or regulatory authority in certain states where Utilities, Inc. has operating subsidiaries, (iii) Corix's receipt of clearance from the Committee on Foreign Investment in the United States ("CFIUS"), and (iv) the satisfaction or waiver of all other requisite conditions precedent to closing, as set forth in Article VII of the Agreement. The parties intend to consummate the transaction as soon as practicable after expiration or termination of the HSR Act waiting period, receipt of all other required governmental and/or regulatory permits and approvals, receipt of CFIUS clearance, and the satisfaction or waiver of all other requisite conditions precedent.¹

II. DESCRIPTION OF THE PARTIES.

9. Utilities, Inc. is an Illinois corporation and one of the largest privately owned water utility and water service companies in the United States, providing water and wastewater services through its subsidiaries to approximately 290,000 customer equivalents in 15 states, including Pennsylvania. Copies of the Consolidated Financial

¹ It is possible that following the consummation of the transactions contemplated by the Agreement, Corix will be merged with and into Hydro Star, thereby eliminating one of the intermediate holding companies through which Corix will hold its interest in UI and its indirect interest in the operating subsidiaries. The Joint Applicants respectfully request that this transaction be included in the approval of this Application.

Statements of Utilities, Inc. and its Subsidiary Companies are attached to this Application as Highly Confidential Exhibit B. Utilities, Inc. considers the information contained in these Statements to be proprietary and highly confidential and therefore requests the Commission to treat these Statements as Highly Confidential documents.

10. Hydro Star entered into a Stock Purchase Agreement with Nuon Global Solutions USA, BV in 2005 to acquire the stock of NGSU. This transaction was approved by the Commission in *Application of Penn Estates Utilities, Inc.*, Dkt. No. A-210072F0003, *et. seq.* (Order entered October 2, 2006). As noted above, NGSU subsequently changed its name to Hydro Star Holdings Corporation. Highstar has decided to divest its investment in Hydro Star and has entered into the proposed transaction with Corix described in this Application.

11. As noted previously, the Corix Group is engaged in the business of water, wastewater and energy utilities and utility related products and services, with its principal domestic office located in Wauwatosa, WI. The Corix Group is well financed with stable long term funding and access to debt financing, capital markets and geographic diversity. Ensuring ready access to capital funds to support growth and the continued maintenance of critical infrastructure is vitally important and increasingly so in the current turbulent financial markets. This transaction directly addresses this issue. The most recent consolidated financial statements of Corix Infrastructure Inc. are attached to this Application as Highly Confidential Exhibit C. Corix considers the information contained in these statements to be proprietary and highly confidential and therefore requests the Commission to treat these Statements as Highly Confidential documents.

III. THE AGREEMENT.

12. Pursuant to the Agreement contained in Highly Confidential Exhibit A to this Application, Corix will acquire 100% of the membership interests of Hydro Star, and Utilities, Inc. will thereby become an indirect, wholly-owned subsidiary of Corix. As a result, PEUI, UIP and Westgate will also become indirect, wholly-owned subsidiaries of Corix. Copies of pre and post transaction organizational charts for Hydro Star, Corix and Utilities, Inc. are attached to this Application as Exhibit D. Corix will not request recovery of any transaction costs or acquisition premiums from customers resulting from this transaction. In addition, there will be no rate increases to customers, changes in day-to-day operations or any impact on customer service resulting from this transaction.

IV. THE PUBLIC INTEREST SUPPORTS APPROVAL OF THIS APPLICATION.

13. The Joint Applicants submit that the Commission's approval of the proposed transaction is in the public interest. The Public Utility Code provides that the Commission will issue a certificate of public convenience approving a proposed transaction upon a finding that "the granting of such certificate is necessary or proper for the service, accommodation, convenience, or safety of the public." (66 Pa. C.S. § 1103(a)). The Pennsylvania Supreme Court has held that this statutory provision requires the Commission to find that the transaction will "affirmatively promote the service, accommodation, convenience or safety of the public in some substantial way." (*City of York v. Pennsylvania Public Utility Commission*, 449 Pa. 136, 151, 295 A.2d 825, 828 (1972)). The requirement of a substantial public interest is satisfied by a simple preponderance of the evidence of benefits, and such burden can be met by showing a likelihood or probability of public benefits that need not be quantified or

guaranteed. (*Popowsky v. Pennsylvania Public Utility Commission*, 594 Pa. 583, 611, 937 A.2d 1040, 1057 (2007)).

14. Approval of the transaction identified in this Application is expected to result in increased financial resources available to Utilities, Inc, which is expected to result in increased resources being available to PEUI, UIP and Westgate. The Corix Group collectively manages over \$750 million in assets and generated cumulative revenue of approximately \$540 million. See Highly Confidential Exhibit C to this Application. The Corix Group employs over 2,200 employees in North America.

15. The Corix Group is an experienced utility owner and operator and is fit, willing and able to finance, own and operate Utilities, Inc. and its subsidiaries, including PEUI, UIP and Westgate. As part of the Corix Group, PEUI, UIP and Westgate will have access to a wide spectrum of technical and industry expertise in all facets of sustainable water, wastewater and energy systems, including innovative technologies, operating tools and regulatory resources required to develop sustainable multi-utility services. The proposed transaction is in the public interest and should be approved by the Commission.

16. The Corix Group is currently engaged in water, wastewater and energy utility and utility service operations in 14 states. A description of the operations of the Corix Group is contained in Exhibit E to this Application. The primary owners of the Corix Group are certain affiliates of British Columbia Investment Management Corporation and CAI Capital Management Inc, two large and stable members of the North American investment community. British Columbia Investment Management Corporation manages over \$90 billion in a globally diversified portfolio of investments

including a significant portion of pension funds. CAI Capital Management Inc is a private equity fund with over \$1.3 billion in North American investments.

17. The proposed transaction will not result in any immediate impact on employment in Pennsylvania. It is anticipated that following the proposed transaction, PEUI's, UIP's and Westgate's current local management teams, system operators and customer service personnel will all remain with PEUI, UIP and Westgate. PEUI, UIP and Westgate will continue to provide reliable service to their Pennsylvania customers at current tariff rates after the Commission's approval of the proposed transaction. As a result, the proposed transaction will be completely seamless to the customers of PEUI, UIP and Westgate.

18. The proposed transaction also will not affect the Commission's regulatory authority over PEUI, UIP and Westgate. Each Company will continue to provide services to its customers under its present name and pursuant to its tariff currently on file with the Commission. Approval of the proposed transaction will have no effect on the safe, reliable and continuous provision of water and wastewater services to the customers of PEUI, UIP and Westgate.

19. All annual reports, tariffs, certificates of public convenience, applications, securities certificates and similar documents previously filed with the Commission by PEUI, UIP and Westgate are made a part of this Application by reference.

20. All general and special assessments of PEUI, UIP and Westgate have been paid.

V. PENN ESTATES CONSIDERATIONS.

21. In the Commission's prior order reconsidering and remanding Hydro Star's acquisition of NGSU and indirectly, the stock of Utilities, Inc., the Commission stated that it would examine the following issues to determine whether such transactions were in the public interest. See *Application of Penn Estates Utilities, Inc.*, Dkt. No. A-210072F0003, *et. seq.* (reconsideration order entered March 31, 2006). The Joint Applicants provide the following response to those issues:

(A) The capital to be allocated to ongoing operating and maintenance expenses;

22. Following the proposed transaction, Corix, through Utilities, Inc., will allocate all capital required for PEUI, UIP and Westgate's ongoing operating and maintenance expenses. As explained in the prior paragraphs, approval of the proposed transaction will result in increased financial resources being available to Utilities, Inc., PEUI, UIP and Westgate.

(B) Corporate governance/Sarbanes Oxley compliance;

23. Corix's ultimate parent company, Corix Infrastructure Inc., is governed by a public-style Board of Directors, currently with seven members representing shareholders and management. The Corix Group is committed to excellence and effectiveness in financial and risk management through its comprehensive corporate governance framework. The key components of the Corix Group's management framework are detailed on page 3 of Exhibit E to this Application.

24. Corix and Utilities, Inc., do not have Sarbanes-Oxley reporting requirements. The Corix Group and Utilities, Inc., however, are subject to annual audits and PEUI, UIP and Westgate file Annual Reports with the Commission.

(C) The expected term of ownership;

25. Corix intends to be a long-term owner of Utilities, Inc., and PEUI, UIP and Westgate. An overview of the Corix Group's operations is contained in Exhibit E to this Application.

(D) The buyer's experience as an owner and operator of water and wastewater utilities;

26. As stated above, the Corix Group is currently engaged in water, wastewater and energy utility and utility service operations in 14 states. A description of the utility operations of the Corix Group is contained in Exhibit E to this Application.

(E) The community presence of the buyer;

27. The Corix Group believes in maintaining a strong local community presence and being a long term committed partner in the communities in which it operates, and the Corix Group plans to maintain and enhance its local presence in those communities in which Utilities, Inc., PEUI, UIP and Westgate currently have operations. See page 3 to Exhibit E to this Application.

(F) The complex nature of the objectives of the various affiliated relationships involved;

28. PEUI, UIP and Westgate receive services from their affiliate Water Service Corporation ("WSC") pursuant to affiliated interest agreements approved by the Commission in 2010 at Docket Nos. G-2009-2134802, G-2009-2134750 and G-2009-

2134735. The expenses for the services provided by WSC are allocated pursuant to an allocation methodology identified in the agreements and approved by the Commission.

(G) The fees paid to and service performed by affiliates;

29. The expenses and capital expenditures paid by WSC on behalf of PEUI, UIP or Westgate are allocated pursuant to the methodology approved in the affiliated interest agreements and are subject to audits, review and inquiry pursuant to Chapter 21 of the Public Utility Code.

(H) The use of leverage to eliminate or maximize income tax liabilities;

30. Following the proposed transaction, PEUI, UIP or Westgate will not propose capital structures for ratemaking purposes that are outside the range of capital structures employed by comparable public utilities for the purpose of affecting tax liability.

(I) The transparency on corporate structure issues;

31. The corporate structure of Utilities Inc., PEUI, UIP and Westgate are transparent and will not change as a result of this transaction.

(J) Entity creditworthiness;

32. The Corix Group is well financed with stable long term funding and access to debt financing. See Highly Confidential Exhibit C to this Application.

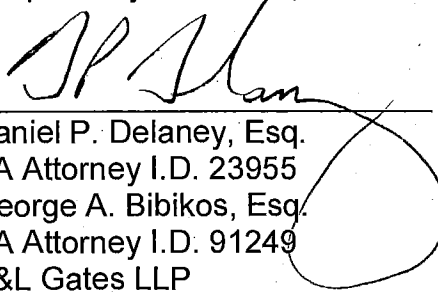
VI. CONCLUSION

The Joint Applicants respectfully request the Commission to expedite its approval of this Application to allow the parties to complete the proposed transaction as soon as possible. The acquisition will not result in any negative or material impact of any kind on PEUI, UIP or Westgate or their customers, and will allow Utilities, Inc., PEUI, UIP

and Westgate to continue to provide safe and efficient utility service. Expedited approval is appropriate because there will be no rate changes resulting from this acquisition and no change in the name, corporate offices or day-to-day operations of PEUI, UIP or Westgate. The acquisition will be seamless to consumers and employees. An expedited ruling on this Application will remove uncertainty and allow PEUI, UIP and Westgate to confidently engage in the business of providing utility services to customers in Pennsylvania.

WHEREFORE, for all of the foregoing reasons, the Joint Applicants respectfully request the Commission to issue certificates of public convenience evidencing the Commission's approval of the indirect change of control of PEUI, UIP and Westgate described in this Application and to grant all other approvals as may be appropriate and necessary to carry out the proposed transaction identified in this Application.

Respectfully submitted,



Daniel P. Delaney, Esq.
PA Attorney I.D. 23955
George A. Bibikos, Esq.
PA Attorney I.D. 91249
K&L Gates LLP
17 North Second Street, 18th Floor
Harrisburg, PA 17101-1507
Tel: 717-231-4500
Fax: 717-231-4501
dan.delaney@klgates.com
george.bibikos@klgates.com

Counsel for Joint Applicants

Dated: April 13, 2012

LIST OF EXHIBITS

| |
|---|
| HIGHLY CONFIDENTIAL EXHIBIT A -- Purchase and Sale Agreement with Disclosure Schedule |
| HIGHLY CONFIDENTIAL EXHIBIT B -- Consolidated Financial Statements of Utilities, Inc. |
| HIGHLY CONFIDENTIAL EXHIBIT C -- Consolidated Financial Statements of Corix Infrastructure Inc. |
| EXHIBIT D -- Pre and Post-Transaction Organizational Charts for Hydro Star, Utilities, Inc. and Corix |
| EXHIBIT E -- Overview of Corix Group |
| |
| Verification of Utilities, Inc. (Lisa Sparrow) |
| Verification of Corix (Hamish Cumming) |

HIGHLY CONFIDENTIAL EXHIBIT A

Purchase and Sale Agreement Dated February 17, 2012

HIGHLY CONFIDENTIAL DOCUMENT. DO NOT PLACE IN PUBLIC FILE.

HIGHLY CONFIDENTIAL EXHIBIT B

Utilities, Inc. and Subsidiaries Consolidated Financial Statements
for 2011 and 2010

HIGHLY CONFIDENTIAL DOCUMENT. DO NOT PLACE IN PUBLIC FILE.

HIGHLY CONFIDENTIAL EXHIBIT C

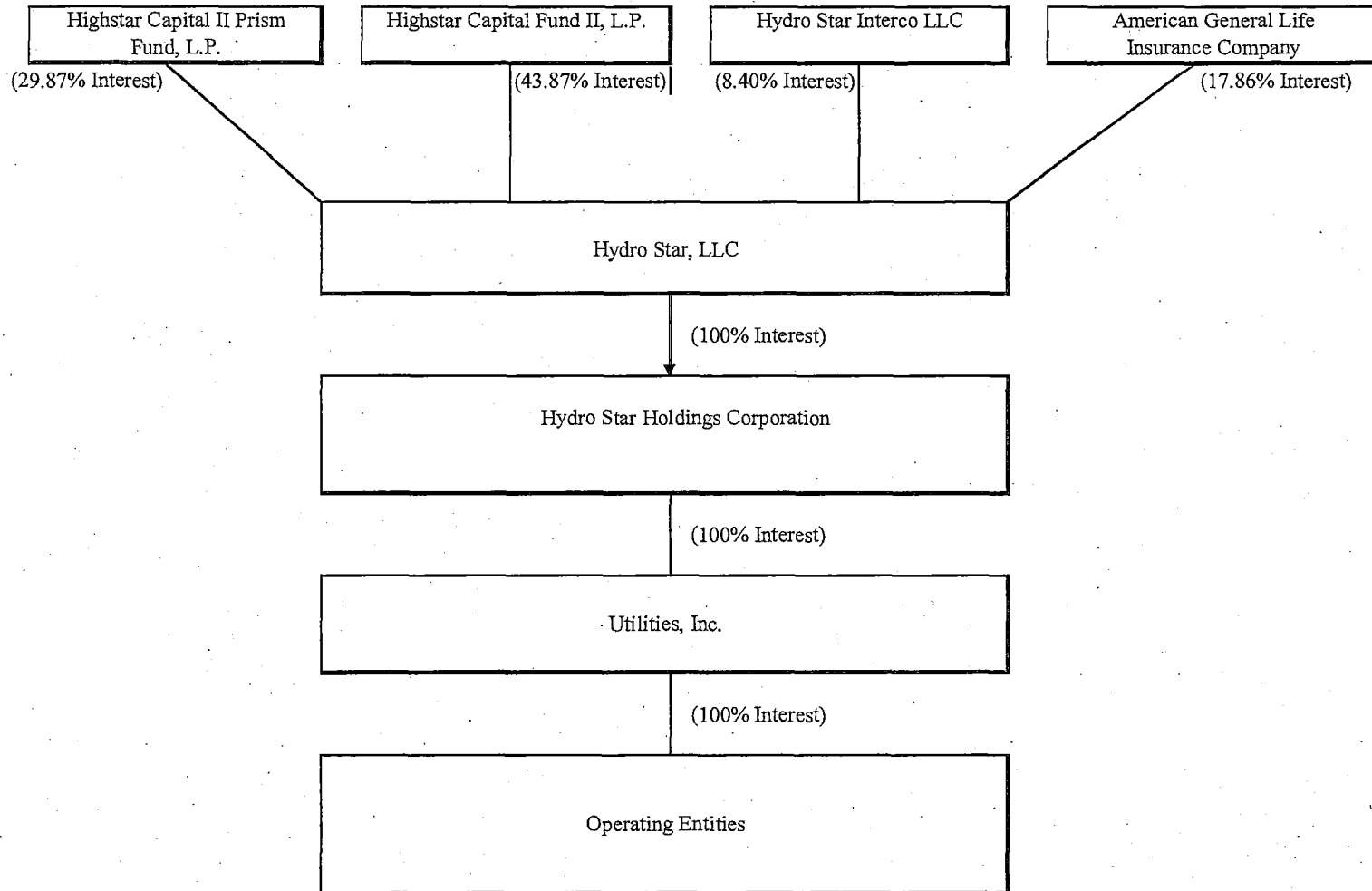
Corix Infrastructure Inc. Consolidated Financial Statements for 2011

HIGHLY CONFIDENTIAL DOCUMENT. DO NOT PLACE IN PUBLIC FILE.

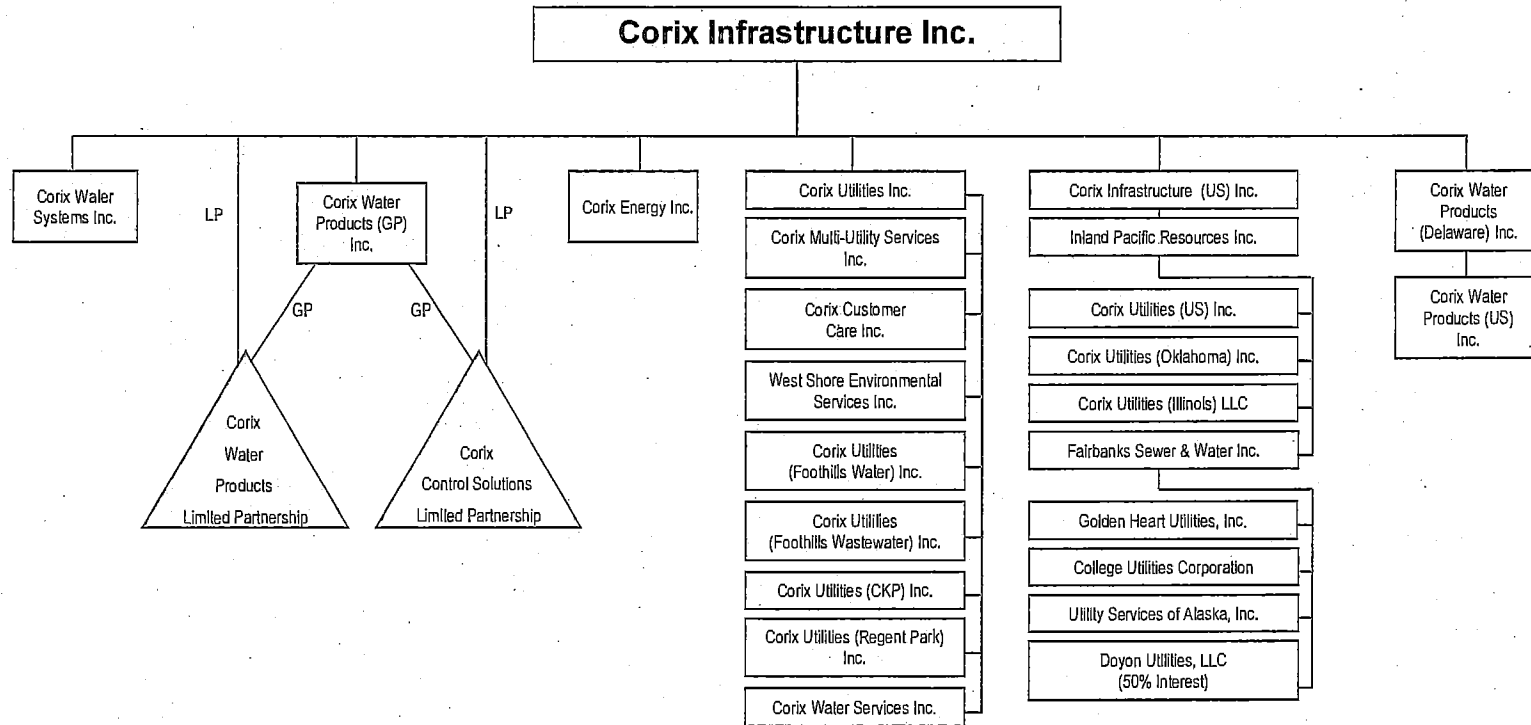
PUBLIC EXHIBIT D

Pre and Post Transaction Organization Charts

Pre-Transaction



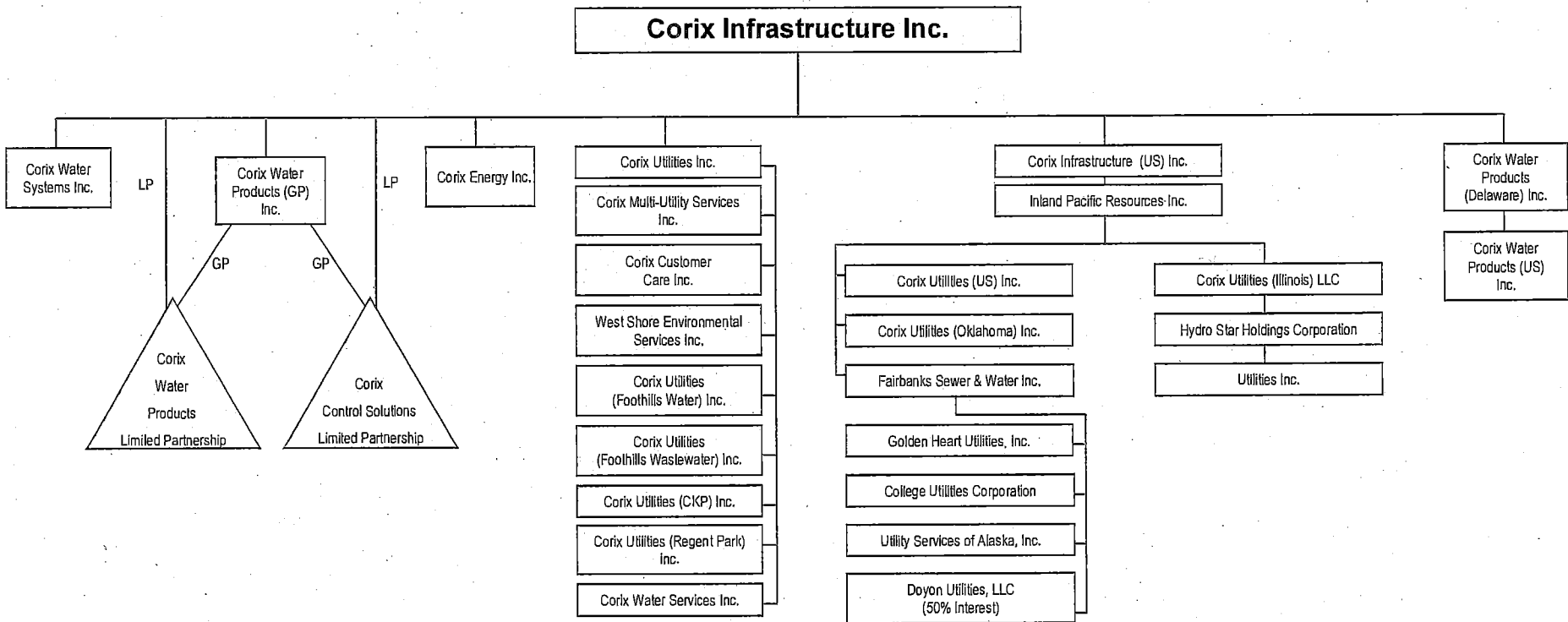
Pre-Transaction



| |
|--------------------|
| Colour Codes |
| US Companies |
| Canadian Companies |

Includes only active operating companies and holding companies.

Post-Transaction



| |
|--------------------|
| Colour Codes |
| US Companies |
| Canadian Companies |

Includes only active operating companies and holding companies.

PUBLIC EXHIBIT E

Overview of Corix Group Dated March, 2012



The Corix Group

March, 2012



CORIX

Building a World of
Sustainable Communities

TABLE OF CONTENTS

| | |
|--|----------|
| 1. CORIX OVERVIEW..... | 2 |
| Corporate Governance..... | 2 |
| Financial Capacity..... | 2 |
| Human Resources..... | 2 |
| Regulatory Experience..... | 3 |
| Community Involvement..... | 3 |
| Operation Locations..... | 3 |
| Corix Utilities..... | 4 |
| Utility Services..... | 4 |
| Utility Products..... | 4 |
| 2. CORIX UTILITY SYSTEMS..... | 4 |
| Fairbanks Sewer & Water Inc..... | 4 |
| Doyon Utilities LLC..... | 5 |
| Corix Utilities (Oklahoma) Inc..... | 5 |
| Other Multi-Utility Businesses..... | 6 |
| Summary of Corix Water and Sewer Projects..... | 7 |

1. CORIX OVERVIEW

Corix is a recognized leader in the implementation of sustainable water, wastewater and energy infrastructure solutions for small to medium-sized communities across North America. Corix designs, supplies, builds, installs, finances and manages utility infrastructure on behalf of municipal, institutional, military and private-sector customers. Corix currently has over 2,200 employees dedicated to providing high quality utilities, services and products.

CORPORATE GOVERNANCE

Corix is a privately held corporation and is principally owned by British Columbia Investment Management Corporation, CAI Capital Partners and Corix employees. Corix is governed by a public-style Board of Directors, currently with seven members representing shareholders and management.

Corix is committed to excellence and effectiveness in financial and risk management through its comprehensive corporate governance framework. Key components include:

- Board of Directors
- Audit Committee
- Human Resources Committee
- Operating Committee
- Health, Safety and Environment Committee
- Enterprise Risk Management Framework
- Internal Audit Department
- Disaster Recovery and Emergency Response Testing and Simulations
- Corporate Scorecard
- Whistleblower Program
- Regular Legislative Review of Regulations Within Jurisdictions of Operations

FINANCIAL CAPACITY

Corix has over \$750 million of assets under management and a strong track record of generating stable revenues and operating cash flows. As an institutionally-owned private utility company, Corix is able to finance its equity needs without accessing the capital markets, significantly reducing the time required and the associated financing risk usually associated with lengthy transaction timelines.

Over the past three years, under challenging market conditions, Corix and its lenders have completed five syndicated bank financings totaling almost \$450 million in support of multi-utility asset acquisitions. Corix carries sufficient debt capacity under its general credit facilities to fund ongoing capital plans for all of its operations and ensures that sufficient credit capacity is maintained to accommodate unexpected capital expenditure needs in its utility operations.

Given the solid support from its owners and lenders, Corix has the financial capacity required to for all future capital expenditures of Utilities, Inc.

HUMAN RESOURCES

Corix has extensive direct and relevant experience in successfully transitioning operating utilities into the Corix Group. Since 2008, Corix has purchased and integrated several unique utility systems valued at over \$500 million in which we welcomed over 230 new employees to Corix. The Utilities, Inc. acquisition will add over 400 additional employees in 15 states.

Our experience consistently proves that retention of the incumbent staff is critical for the effective transfer of all institutional knowledge required to truly understand the technical and operational history of a given utility system. In a recent University of Oklahoma acquisition we offered employment to all 32 existing

employees. In our purchase of U.S. military assets at three military bases in Alaska, we also hired the existing staff, and with growth of the system and creation of new positions we currently have 130 employees serving the three military bases.

REGULATORY EXPERIENCE

As an experienced owner of regulated assets, Corix understands the importance of maintaining strong regulatory relationships as well as the need to structure transactions that provide appropriate assurances to regulators and customers. Corix has significant in-house experience in developing successful applications before local and state regulatory authorities in a variety of jurisdictions and augments this expertise with local experts who are well-acquainted with local legislation, regulations and practices.

Corix has demonstrated its ability to successfully acquire, manage and operate utility businesses throughout North America based on its track record of operational expertise, health and safety, customer service and community involvement.

COMMUNITY INVOLVEMENT

We believe a strong community will support a strong and reliable utility. Corix and its employees support local charities and community groups in every region in which we operate. We also believe in supporting environmental and sustainability initiatives that align well with our core businesses.

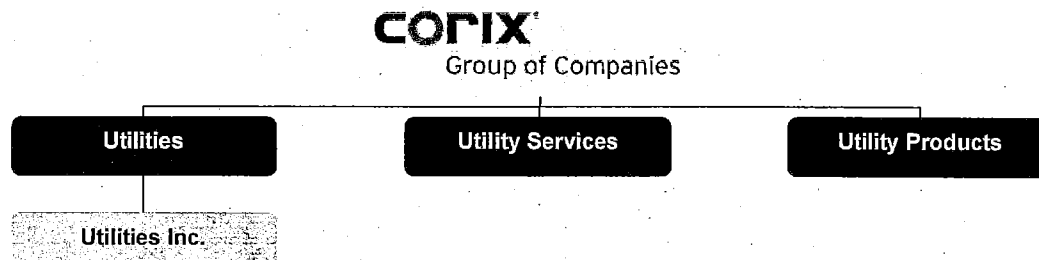
OPERATION LOCATIONS

Corix has achieved rapid growth in recent years through both internal business development and acquisitions. Today, Corix has over \$750 of assets under management and over 2,200 employees operating in 85 locations across North America. The Corix senior management team averages in excess of 20 years of utility industry experience with a successful track record of operations and growth across the Corix platform.

The following map illustrates Corix's current operating locations.



Corix has a unique “economies of scope” business model that integrates three distinct but highly complementary lines of business: Utilities, Utility Services and Utility Products.



CORIX UTILITIES

Unlike traditional single service utilities, Corix is focused on providing utility ownership and management across multiple utilities at the local level. Utilities under management by Corix include water treatment and distribution, wastewater collection and treatment, thermal generation and combined heat & power (CHP) plants, natural gas and electricity distribution, and chilled water plants and distribution systems. Corix facilitates seamless integration of the systems through its extensive technical and operating expertise and common corporate governance standards with respect to overall utility management, capital planning, health and safety, customer care, information technology, legal services and rate regulation.

UTILITY SERVICES

Corix provides measurement and metering services to municipalities, utilities, and cooperatives throughout North America, with its main operational centre located in Wauwatosa, Wisconsin. The services provided include automated meter reading deployment, maintenance and support, meter changes and retrofits, contract meter reading, code compliance, utility field installation services, and other special field services. Corix also provides turnkey design-build water systems and fire hydrant leak detection, maintenance, and repair.

UTILITY PRODUCTS

Corix operates 38 utility products branches across North America, distributing a full line of pipes, valves, meters, pumps, irrigation equipment, service, and repair products and other components that are used to transport clean water and wastewater. Corix also serves the oil, gas, and industrial products sector by providing measurement and control equipment.

2. CORIX UTILITY SYSTEMS

Corix, as a multi-utility service provider, owns and operates a variety of water and sewer systems in addition to thermal energy and electric power assets. A summary of several of the notable utility operations is provided below.

FAIRBANKS SEWER & WATER INC.

Corix owns 100% of Fairbanks Sewer and Water Inc. (“FSW”). With assets of approximately \$115 million, FSW provides water treatment and distribution, wastewater collection and treatment, and customer care services to the 80,000 residents of the Greater Fairbanks area. FSW was created through the

privatization of the utility systems previously owned by the City of Fairbanks, Alaska. FSW then successfully transitioned these systems from under-funded and deteriorated municipal assets to a private utility with rates subject to regulation by the Regulatory Commission of Alaska. The quality, sustainability and service levels have shown consistent improvement since that time and FSW continues to ensure that the systems meet all regulatory requirements, are upgraded to meet new requirements where necessary, and have the capacity to address the population growth in Fairbanks.

DOYON UTILITIES LLC

Corix owns 50% of Doyon Utilities LLC, which in turn owns 12 utilities serving a total population of approximately 50,000 on three U.S. military bases in Alaska. The assets were transferred to private ownership by the U.S. government under a military privatization transaction.

The water and sewer infrastructure includes three potable water treatment plants, 31 wells, a dam and surface water reservoir, 85 miles of associated water distribution systems, 57 miles of associated sewer collection systems and lift stations, and a sewer treatment plant. The full scope of the operation also includes two district energy systems, electric distribution and natural gas distribution. The operation currently has 130 employees managing these mission critical utilities, including 20 engineering and construction project managers engaged to plan, engineer and manage approximately 500 construction projects scheduled for completion over the initial five years.

Doyon was selected for the transaction under a competitive bid process as the proponent with the best pricing, which was also significantly lower than the military's status quo "Should-Cost" forecast. The original transaction included approximately \$200 million of legacy assets and we have invested an additional \$150 million to date in planned upgrades and renewals and replacements. It is expected that total capital upgrades and R&R investments will be as high as \$1 billion over the term of the 50-year contract.

This transaction is the largest and most complex utility privatization action ever undertaken by the U.S. Military to date, both in terms of size and scope. Some of the unique features of this operation include:

- Multi-utility operations at each of the three military bases.
- Locations in both the interior and coastal areas of Alaska.
- On-site power generation at two of the installations and construction of a base-load landfill gas-fired renewable energy power plant.
- Ownership and operation of the Ship Creek Dam and reservoir and associated 8 MGD water treatment plant.
- Direct ownership of the sewer plant, which was previously a federally owned treatment works. Upon conversion to private ownership we were able to maintain the exemption related to hazardous waste treatment standards imposed on privately owned treatment works.
- Transition over a 10 month period including construction of certain key facilities, acquisition of fleet vehicles and transition of staff.
- The 12 utilities are regulated by the Regulatory Commission of Alaska and monthly charges to the federal government are based on a cost of service utility model.

CORIX UTILITIES (OKLAHOMA) INC.

Through a nation-wide solicitation process, Corix was selected by the University of Oklahoma to purchase a 50 year concession to invest in and design, build, operate and maintain six utility systems serving a student population of approximately 30,000 at its campus in Norman, Oklahoma. This multi-utility operation includes water and sewer systems, a central heat and power plant, district energy system, chilled water production and distribution system, and electrical and natural gas distribution systems. The initial acquisition price was \$118 million and the total 50-year capital investment is estimated at over \$600

million. The University's incumbent employees were hired by Corix as part of the transition. The concession agreement is structured to mirror regulated utilities in Oklahoma using typical cost of service rate-setting principles. The benefits to the University included monetization of non-core utility assets and reallocation of the funds to the core education and research missions.

OTHER MULTI-UTILITY BUSINESSES

In Canada, Corix owns and/or operates 164 utility systems serving approximately 200,000 residents in over 100 small to medium sized communities and resort areas. The system registry for Canada includes 40 water treatment plants, 59 water distribution systems, 28 wastewater treatment facilities, and 37 wastewater collection systems. Corix also provides energy and other services to a number of these communities.

Throughout its history, Corix has designed, constructed and operated utility systems as part of complex water and sewer projects as well as stand-alone systems, working closely with communities to develop the solutions that best address their needs. The utilities are either regulated by provincial authorities or operate under contracts structured according to cost of service principles.

SUMMARY OF CORIX WATER AND SEWER PROJECTS

Corix currently provides water and/or sewer service an estimated population of over 350,000 people. The following table summarizes the water and sewer projects currently operated by Corix across North America.

| Location / System Name | Scope of Services | Pop. (Approx) | Water Treatment | Water Distribution | Wastewater Collection | Wastewater Treatment |
|--|-----------------------------|----------------|-----------------|--------------------|-----------------------|----------------------|
| Alaska | | | | | | |
| City of Fairbanks | Own / Operate | 80,000 | X | X | X | X |
| U.S. Army - Fort Wainwright | Own / Operate (50%) | 25,000 | X | X | X | |
| U.S. Air Force - Joint Base Elmendorf Richardson | Own / Operate (50%) | 20,000 | X | X | X | |
| U.S. Army - Fort Greely | Own / Operate (50%) | 2,000 | | X | X | X |
| Oklahoma | | | | | | |
| Oklahoma University | Own / Operate | 30,000 | | X | | X |
| Total U.S. | | 157,000 | 3 | 5 | 4 | 3 |
| British Columbia | | | | | | |
| City of Langford | Own / Operate | 30,000 | | | X | |
| Sun Rivers Community | Own / Operate | 6,000 | | X | X | |
| Riverport Residential & Entertainment | Own / Operate | 2,500 | | | X | X |
| Panorama Mountain Village | Own / Operate | 1,500 | | X | X | X |
| Cultus Country | Own / Operate | 250 | | X | X | X |
| Lindal Beach | Own / Operate | 250 | | X | | |
| Sage Meadows | Own / Operate | 100 | | X | X | X |
| Kicking Horse Ski Resort | Operate | 1,000 | | X | X | X |
| Fairmont Hot Springs | Operate | 800 | | X | X | X |
| Furry Creek & Oliver's Landing | Operate | 750 | | X | X | X |
| Fort Steele | Operate | 500 | | X | | |
| Dockside Green Residential Community | Operate | 500 | | X | X | X |
| Britannia Beach Community | Operate | 500 | X | X | X | X |
| Gateway Lakeview Estates | Operate | 250 | X | X | X | X |
| La Casa | Operate | 200 | | X | X | X |
| Highlands | Operate | 100 | | X | X | X |
| Terravista | Operate | 100 | | X | X | X |
| Cottages at Copper Point | Operate | 100 | | X | X | |
| Crooked Tree | Operate | 100 | X | X | | |
| Aspens | Operate | 100 | | | X | X |
| Beaches | Operate | 100 | | | X | X |
| Rockcliffe | Operate | 50 | | X | | |
| Quayside Village Co-housing, NV | Operate | 50 | | X | X | X |
| Kamloops Indian Band | Supervise / Startup / Train | 500 | | | X | |
| City of Tofino | Supervise | 1,500 | X | X | | |
| Kent Prison | Supervise | 1,000 | | | X | X |
| Caravans West, Scotch Cr. | Supervise | 500 | | | X | X |
| Spirites Reach | Supervise | 100 | | | X | X |

| Location / System Name | Scope of Services | Pop. (Approx) | Water Treatment | Water Distribution | Wastewater Collection | Wastewater Treatment |
|---|-------------------|---------------|-----------------|--------------------|-----------------------|----------------------|
| Alberta | | | | | | |
| Corix Utilities (Foothills Water) | Own / Operate | 5,000 | X | X | X | X |
| Rocky View County - Langdon | Operate | 3,500 | | | X | X |
| Nexen, Ft. McMurray | Operate | 3,000 | X | X | X | X |
| Rocky View County - Elbow Valley Sewer Line | Operate | 2,000 | | | X | |
| Rocky View County - East Balzac | Operate | 1,200 | X | X | | |
| Alberta Tourism Parks & Recreation - Bow Valley Admin | Operate | 1,600 | X | X | | |
| Alberta Tourism Parks & Recreation - Bow Valley South | Operate | 100 | X | X | X | |
| Alberta Tourism Parks & Recreation - Elbow Ranger Station | Operate | 100 | | | X | X |
| Alberta Tourism Parks & Recreation - Fire Base | Operate | 100 | X | X | | |
| Alberta Tourism Parks & Recreation - McLean Creek | Operate | 100 | X | X | X | |
| Alberta Tourism Parks & Recreation - Ghost Reservoir | Operate | 50 | X | X | | |
| Alberta Tourism Parks & Recreation - Highwood House | Operate | 25 | X | X | | |
| Alberta Tourism Parks & Recreation - Little Elbow | Operate | 25 | X | X | | |
| Alberta Tourism Parks & Recreation - Sheep Ranger & Sandy | Operate | 25 | X | X | | |
| Elkana Residents | Operate | 1,000 | X | X | | |
| Emerald Bay | Operate | 1,000 | X | X | X | X |
| Poplar View Water Co-op | Operate | 1,000 | X | X | | |
| Twelve Mile Coulee | Operate | 1,000 | X | X | | |
| Glencoe Golf & Country | Operate | 700 | X | X | X | |
| Wintergreen Woods | Operate | 500 | X | X | | |
| Bearspaw Ridge | Operate | 400 | | X | | |
| Lynx Ridge | Operate | 400 | | | X | |
| Tsuu T'ina Nation | Operate | 400 | X | | X | |
| The Slopes | Operate | 300 | | X | | |
| Jumping Pound | Operate | 300 | X | X | | X |
| Elbow Springs Golf Club | Operate | 200 | X | X | | |
| Our Lady Queen of Peace | Operate | 200 | X | X | | |
| Muirfield | Operate | 150 | X | X | X | |
| Windmill Water Co-Op | Operate | 150 | X | X | | |
| Elbow Valley Utilities Corp | Operate | 100 | | X | | |
| Georgian Del Rich | Operate | 100 | X | X | | |
| Square Butte Ranches | Operate | 100 | X | X | | |
| Springate | Operate | 100 | X | X | | |
| Deerhaven | Operate | 50 | X | X | | |
| Tower Ridge Utility | Operate | 50 | X | X | | |
| Cullen Creek | Operate | 50 | X | X | | |
| Poplar View Utility Corp | Operate | 50 | | X | | |
| Serenity Estates | Operate | 50 | X | X | | |
| Springshire | Operate | 50 | X | X | | |
| Wheatland Water | Operate | 50 | X | X | | |
| Mountain View | Operate | 25 | X | X | | |

| Location / System Name | Scope of Services | Pop. (Approx) | Water Treatment | Water Distribution | Wastewater Collection | Wastewater Treatment |
|---|-------------------------|----------------|-----------------|--------------------|-----------------------|----------------------|
| Ontario | | | | | | |
| Chatham-Kent (32 systems) | Joint Venture | 110,000 | | | X | X |
| Picton | Operate | 7,500 | X | X | | |
| Walpole | Joint venture | 2,250 | X | X | | |
| Newbury WPCP | Joint venture | 400 | | | X | X |
| Territories | | | | | | |
| Dawson City, Yukon Government | Build / Operate | 3,500 | | | | X |
| Government of the Northwest Territories | Build / Startup / Train | 2,700 | X | X | | |
| Total Canada | | 201,050 | 40 | 59 | 37 | 28 |
| Total North America | | 358,050 | 43 | 64 | 41 | 31 |