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JOINT PETITION OF

HIGHSTAR CAPITAL II PRISM FUND, L.P.,  
HIGHSTAR CAPITAL FUND II, L.P.,  
HYDRO STAR INTERCO LLC,  
AMERICAN GENERAL LIFE INSURANCE  
COMPANY,  
HYDRO STAR, LLC,  
MASSANUTTEN PUBLIC SERVICE CORPORATION,

CASE NO. PUE-2012-00048

and

CORIX UTILITIES (ILLINOIS) LLC

For approval under the Utility Transfers Act,  
Va. Code Sections 56-88 *et seq.*

ORDER GRANTING APPROVAL

On April 17, 2012, Highstar Capital II Prism Fund, L.P., Highstar Capital Fund II, L.P., Hydro Star Interco LLC, American General Life Insurance Company, Hydro Star, LLC ("Hydro Star"), Massanutten Public Service Corporation ("MPSC"), and Corix Utilities (Illinois) LLC ("Corix Utilities") filed a Joint Petition with the State Corporation Commission ("Commission"), pursuant to Chapter 5 of Title 56 of the Code of Virginia ("Code"), for approval of the transfer of indirect ownership of MPSC.

MPSC is a Virginia public service company that provides water and waste water utility services to approximately 2,100 residential and business customers in Rockingham County, Virginia. MPSC is a direct, wholly owned subsidiary of Utilities, Inc. ("Utilities"). Utilities is an Illinois corporation that is a holding company for approximately 75 operating subsidiaries that provide water and/or waste water services to approximately 290,000 customer equivalents in 15 states.

Hydro Star is a limited liability company organized in the state of Delaware that is engaged in the acquisition and ownership of water and waste water related infrastructure businesses. Hydro Star is the direct parent company of Hydro Star Holdings Corporation (“HS Holdings”). HS Holdings also is a Delaware corporation and is the sole shareholder of Utilities.

Highstar Capital II Prism Fund, L.P., Highstar Capital Fund II, L.P., Hydro Star Interco LLC, and American General Life Insurance Company (collectively, the “Sellers”) are the controlling members of Hydro Star and, therefore, have ultimate ownership of MPSC.

Corix Utilities is a Delaware limited liability company and was created for the purpose of entering into the proposed transaction described below. All of the outstanding membership interests of Corix Utilities are held by a second tier subsidiary of Corix Infrastructure Inc. (“Corix”), a Canadian company that, together with its subsidiaries, is referred to as the “Corix Group.” The Corix Group is engaged in various water, waste water, energy, utility, and utility service operations.

The primary owners of the Corix Group are certain affiliates of British Columbia Investment Management Corporation (“BC Investment”) and CAI Capital Management Inc. (“CAI Capital”). BC Investment manages over \$90 billion in a globally diversified portfolio of investments on behalf of various pension funds and other investors. CAI Capital is a private equity fund with over \$1.3 billion in North American investments.

The Sellers and Corix Utilities have entered into an agreement whereby the Sellers will sell all of their membership interests of Hydro Star to Corix Utilities. After the transaction is consummated, Corix Utilities will own Hydro Star and, therefore, acquire indirect control of MPSC. After the proposed transfer, MPSC will remain the utility provider of water and waste water service in Virginia. MPSC will continue to be a direct subsidiary of Utilities.

The petitioners represent that the Corix Group's business strategy is to expand its utility infrastructure footprint in North America, particularly in the United States. By acquiring Utilities, the Corix Group will add approximately 75 systems and almost 300,000 customers to their United States operations. For the Sellers, the proposed transfer allows them to sell their ownership interests of Utilities to a large company with experience in the water and waste water service business.

The petitioners represent that the proposed transfer will have no adverse impact on rates. They state that after the transfer, MPSC customers will continue to receive service at the rates that are on file with the Commission. The petitioners further represent that the proposed transfer will have no effect on the quality of service. It is anticipated that there will be no change in the management, customer service staffing, and local operation personnel of MPSC. The number of employees and the day-to-day operation of MPSC should not be affected by the proposed transfer.

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that the transfer of indirect control of MPSC will neither impair nor jeopardize the provision of adequate service to the public at just and reasonable rates and, therefore, should be approved.

Accordingly, IT IS ORDERED THAT:

- (1) Pursuant to §§ 56-88.1 and 56-90 of the Code, the petitioners are hereby granted approval of the indirect transfer of control of MPSC, as described herein.
- (2) The petitioners shall file a Report of Action ("Report") with the Commission in its Document Control Center within ninety (90) days after completion of the transaction. The Report shall include the date of the transaction and all legal documentation supporting the transaction.

(3) The approval granted herein shall have no ratemaking implications. Specifically, it will not guarantee the recovery of any costs directly or indirectly related to the transfer.

(4) MPSC shall ensure that:

(a) The quality of service in MPSC's service territory shall not deteriorate due to a lack of maintenance or capital investment;

(b) The quality of service in the MPSC service territory shall not deteriorate due to a reduction in the number of employees providing services; and

(c) A high degree of cooperation with the Commission Staff is maintained; and

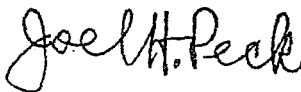
(d) All actions necessary to ensure MPSC's timely response to Staff inquiries with regard to its provision of service in Virginia are taken.

(5) There appearing nothing further to be done in this matter, it hereby is dismissed.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to:

Donald G. Owens, Esquire, Troutman Sanders LLP, Attorneys At Law, Troutman Sanders Building, 1001 Haxall Point, Richmond, Virginia 23219; and a copy shall be delivered to the Commission's Office of General Counsel and Divisions of Utility Accounting and Finance and Energy Regulation.

A True Copy  
Teste:



Clerk of the  
State Corporation Commission