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

REPLY TO ALTAMONTE SPRINGS

July 25, 2005

HAND DELIVERY

Ms. Blanca Bayo  
Commission Clerk and Administrative Services Director  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399

COMMISSION  
CLERK

JUL 25 PM 3:07

RECEIVED-FPSC

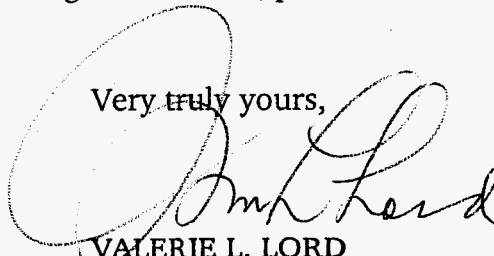
Re: Docket No.: 050499-WS, Application of Utilities, Inc., for Authority for Transfer of Majority Organizational Control to Hydro Star, LLC  
Our File No.: 30057.103

Dear Ms. Bayo:

Enclosed for filing are the original and fifteen (15) copies of the Application of Utilities, Inc., for Authority for Transfer of Majority Organizational Control to Hydro Star, 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 Emergency Motion for Rule Waiver.

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

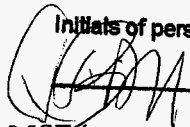
Very truly yours,



VALERIE L. LORD  
For the Firm


Check received with filing and forwarded to Fiscal for deposit. Fiscal to forward deposit information to Records.

Initials of person who forwarded check



MSF/mp  
Enclosures

cc: Mr. Steven M. Lubertoizzi (w/enclosures)  
Robert Brannan, Esquire (w/enclosures)

**\*\* NOTE \*\*** 2 CHECKS TOTALING \$6,000 WERE RECEIVED.  
30829 & 30842 

DOCUMENT NUMBER - DATE

07098 JUL 25 05

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

---

Docket No. 050499-WS

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

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

1. The name and address of the Applicant is:

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

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

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

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

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

DOCUMENT NUMBER-DATE

07098 JUL 25 18

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

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

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

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

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

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

Hydro Star, LLC  
2929 Allen Parkway  
Houston, Texas 77019

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

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

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

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

world's leading international financial and insurance services organizations.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

By: 

MARTIN S. FRIEDMAN  
VALERIE L. LORD



**AFFIDAVIT**

STATE OF ILLINOIS

COUNTY OF COOK

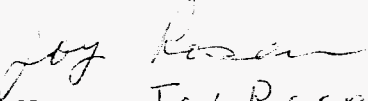
I, LAWRENCE N. SCHUMACHER, do solemnly swear or affirm that the facts stated in the foregoing application and all exhibits attached thereto are true and correct and that said statements of fact thereto constitute a complete statement of the matter to which it relates.

FURTHER AFFIANT SAYETH NAUGHT.

Dated July 21, 2005.

  
LAWRENCE N. SCHUMACHER  
President

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

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



**EXHIBIT "A"**

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

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

## EXHIBIT "B"

### Managers and Members of Buyer

**Member:**

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

There are no other members at this time.

**Officers/Directors:**

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

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

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

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

**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)**