

Brandy Butler

From: Office of Commissioner Brown
Sent: Thursday, November 09, 2017 3:18 PM
To: Commissioner Correspondence
Subject: FW: FYI Descheses agreement

Good Afternoon,

Please place the attached email in Docket No. 20170000-OT. Thank you!

Shalonda M. Hopkins

Florida Registered Paralegal
Executive Assistant to Chairman Brown
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399
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From: Keith Hetrick
Sent: Thursday, November 09, 2017 2:41 PM
To: 'Jack Mariano'
Cc: Office of Commissioner Brown; 'flipmellinger@pascocountyfl.net'; 'dbiles@pascocountyfl.net'; 'iconstantine@seminolecountyfl.gov'; 'amr328@hotmail.com'; Saylor, Erik; JR Kelly; 'kevin.reilly@eog.myflorida.com'; 'wsmpson@msn.com'; 'Brian Armstrong'; 'rick.scott@eog.myflorida.com'; 'richard.corcoran@myfloridahouse.gov'
Subject: FW: FYI Descheses agreement

Commissioner Mariano,

Thank you for your inquiry into the purchase and sale of Corix and whether the transaction is or should be approved by the FPSC. The Office of Commissioner Brown has asked me to respond to your inquiry.

Our technical and legal staff have evaluated your e-mail and we've concluded that the Florida Public Service Commission (FPSC) has no jurisdiction over the sale of Corix or this transaction. Therefore, we have no jurisdiction to approve or disapprove the transaction. As I understand the situation, Corix is the parent company of Utilities Inc., and Utilities Inc. of Florida, a Florida based corporation, is one of UIF's operating companies. However, that scenario does not in itself give rise to FPSC jurisdiction over a parent company or separate transactions caused by or otherwise affecting a parent company. For fullness of my response, it is possible that any sale of a parent company could affect management and parent/subsidiary allocations, and in turn could possibly have some effect on a future rate case proceeding, but such a scenario is speculative and in any event still does not give rise to FPSC jurisdiction over a parent company or separate parent company transactions.

Further, we have reviewed and also agree with OPC's response provided to you by e-mail on November 8, 2017, which has been placed in the un-docketed docket file. This response will also be placed in our un-docketed docket file. Please let us know if we can be of further assistance.

Kind regards,

Keith Hetrick

General Counsel

Florida Public Service Commission

850-413-6189

khetrick@psc.state.fl.us

From: Jack Mariano [<mailto:jmariano@pascocountyfl.net>]

Sent: Monday, November 06, 2017 9:35 PM

To: Office of Commissioner Brown; Flip Mellinger; Dan Biles; Lee Constantine

Cc: Ann Marie Ryan; Erik Saylor; JR Kelly; Kevin Reilly; RICK.SCOTT@EOG.MYFLORIDA.COM; Wilton Kathy Simpson; Richard.Corcoran@myfloridahouse.gov; Brian Armstrong

Subject: Fwd: FYI Descheses agreement

Does this purchase and sale of Corix need to be approved by the PSC? I think this clearly shows bad faith in their part when Pasco County was openly committed in to wanting to buy them but was denied and made no attempt to give us an opportunity to match an offer. I do believe Sanlando had an interest to look at a purchase as well. I would appreciate a quick response of some kind before 10am or noon before our BOCC meeting tomorrow. We have had enough of this mismanaged "Foreign" utility giving terrible customer service and water quality issues that for 25 years of poor water quality and full cooperation from Pasco County still cannot solve the problem that exist. Pasco County Utilities has a proven record of delivering good quality water at much more reasonable prices. It is time to get rid of this foreign company that does a great job for its Canadian investors but a terrible job for its Floridian customers. Please stand up for the people you serve. Thank you, Jack Mariano Pasco County Commissioner

P.S. In Descheses press release it states" Canadian owned company leading wholesale distributor to plumbing&heating, electrical waterworks". This will continue to cost Floridians jobs and drive our seniors and families hard earned money right to Canada. It time to get to work for Floridians!

Sent from my iPhone

Begin forwarded message:

From: Ann Marie Ryan <amr328@hotmail.com<<mailto:amr328@hotmail.com>>>

Date: November 6, 2017 at 4:18:44 PM EST

To: PC Commissioner Jack Mariano <jmariano@pascocountyfl.net<<mailto:jmariano@pascocountyfl.net>>>, Jeff Lozier <jeffloziersarnia@gmail.com<<mailto:jeffloziersarnia@gmail.com>>>, Norman Traversy <traversy.n@gmail.com<<mailto:traversy.n@gmail.com>>>

Subject: FYI Descheses agreement

<http://www.corix.com/about-corix/news/2017/2017/11/02/corix-water-products-and-badger-meter-announce-canadian-distributorship-partner-agreement><<http://www.corix.com/about-corix/news/2017/2017/11/02/corix-water-products-and-badger-meter-announce-canadian-distributorship-partner-agreement>>

Oct 26, 2017

Deschenes Group Inc. enters into an agreement to acquire Corix Water Products<<http://www.corix.com/about-corix/news/2017/2017/10/26/deschenes-group-inc.-enters-into-an-agreement-to-acquire-corix-water-products>>

Deschenes Group Inc. (DGI) enters into an agreement to acquire Corix Water Products (“CWP”), a division of Corix Infrastructure Inc.

Corix News – 2017

Deschenes Group Inc. enters into an agreement to acquire Corix Water Products
Oct 26, 2017

MONTREAL – Deschenes Group Inc. (DGI) enters into an agreement to acquire Corix Water Products (“CWP”), a division of Corix Infrastructure Inc. The transaction, subject to regulatory approval and other closing conditions, is expected to be completed January 2018.

CWP distributes products for waterworks, sewer and irrigation systems with 36 locations in Canada, from the province of Québec to British Columbia and with 12 locations in the states of Washington, Oregon, California and Texas. Under the name of Corix Control Solutions the company also provides measurement and control equipment to the oil, gas, municipal and industrial market sectors in Western Canada in 7 locations. The acquisition will add 51 sales points to DGI network and 650 qualified people.

François Deschênes, President and CEO of DGI stated “This acquisition is in line with our strategy to further develop our growth throughout Canada. The geographical fit with CWP will be a great complement to where we are currently located. It will also allow us to enter the US market, something we have been considering seriously for several years. The entrepreneurial and customer focused culture that we discovered in CWP will be a great fit with our own culture, providing an opportunity to further grow both CWP and DGI together. We strongly believe that a distribution business is built on the quality of its people and the quality of its service. We are privileged to welcome the addition of CWP’s strong and well reputed team”.

For DGI, this acquisition of CWP will broaden the product and service offerings, enlarge the service area and strengthen the buying power of the company. Ultimately, these factors are of significant importance in helping customers and suppliers achieve greater success.

Scott Thomson, President and CEO of Corix Infrastructure Inc. stated, “Our products business has a long and successful history of providing quality products by experienced and knowledgeable staff. CWP played an important role in helping establish Corix as a leader in our core North American utility infrastructure business. Finding a buyer for CWP whose culture was aligned with our own, and who had a similar vision for the future, was extremely important. We are confident that DGI is an excellent match and they will support and encourage the growth of the business in the years to come.”

Further information will be provided following the completion of the transaction.

About Deschenes Group Inc.

Deschenes Group Inc., founded in 1940, is a private family-owned company based in Montreal. DGI, the largest Canadian-owned company in its sector of activity, is a leading wholesale distributor to the plumbing & heating, electrical, waterworks, fire protection, HVAC/R and auto parts markets, with 134 sales points throughout Canada. DGI also has 20 plumbing retail stores in Quebec and Ontario. Since 2009, DGI is recognized as one of Canada’s Best Managed Companies. For more information:

www.deschenesgroup.com<<http://www.deschenesgroup.com/>>>.

About Corix Infrastructure Inc.

With over 100 years of experience, Corix Group of Companies is a leading provider of sustainable utility infrastructure solutions across North America. Corix is privately held, with the BC Investment Management Corporation (bcIMC) as its primary owner. For more information, please visit

www.corix.com<<http://www.corix.com>>>.

For information, contact:

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<<http://www.corix.com/about-corix/news/2017/2017/11/02/corix-water-products-and-badger-meter-announce-canadian-distributorship-partner-agreement>>



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