

Docket No: 05-0522
Bench Date: 1/25/06
Deadline: 7/17/06

MEMORANDUM

TO: The Commission

FROM: David Gilbert, Administrative Law Judge

DATE: December 28, 2005

SUBJECT: Hydro Star, LLC; Nuon Global Solutions USA, B.V.; Utilities, Inc. Each of the 24 Illinois Operating Subsidiaries of Utilities, Inc.

Joint Application for Approval of Reorganization.

RECOMMENDATION: Enter attached Order approving acquisition.

This case involves a proposed acquisition by Hydro Star, LLC (“HS”) of an entity, Nuon Global Solutions USA, Inc. (“NGSI”), that is the parent company of Utilities, Inc. (“UI”), which, in turn, is the parent of 24 Illinois water utilities (“the UI Operating Subsidiaries”). As a result of the proposed transaction, the separate corporate existence of UI would continue, and UI would retain all rights, duties and obligations existing before the transaction. UI will also remain the owner of the UI Operating Subsidiaries. The transaction will change only the ultimate owner of the stock of NGSI. The UI Operating Subsidiaries would continue to hold their licenses and authorizations, and none of their rates, terms or conditions for the provision of water and sewer public utility services would change as a result of the transaction

There will be no cost savings from the proposed transaction, and Applicant does not seek recovery of any reorganization costs.

The proposed acquisition constitutes a “reorganization” under Section 7-204 of the Act. Therefore, Commission approval is required, and Section 7-204 identifies specific criteria that the Commission must consider. Staff participated actively in this docket and concluded that the application would meet all applicable statutory requirements. Accordingly, there are no contested issues in this case.

Based upon the testimony of Staff and Applicants, I recommend that the Commission enter the attached Order approving the proposed acquisition.

DG:fs