

APPLE VALLEY RANCHOS
WATER CO.

P.O. BOX 7005
21760 OTTAWA ROAD
APPLE VALLEY, CA 92307
(760) 247-6484 • FAX (760) 247-1654



Dennis
RECEIVED
FEB - 7 2011
TOWN MANAGER

February 4, 2011

Frank Robinson
Town Manager
Town of Apple Valley
14955 Dale Evans Parkway
Apple Valley, CA 92307



Re: A.11-01-019

Dear Mr. Robinson:

Attached please find a Notice of the Application of Park Water Company, Western Water Holdings, LLC, PWC Merger Sub, Inc., and Apple Valley Ranchos Water Company for authority for Western Water Holdings, LLC to acquire and control Park Water Company and Apple Valley Ranchos Water Company (Application No. 11-01-019).

Sincerely,

Leigh K. Jordan

Executive Vice President
Apple Valley Ranchos Water Company
9750 Washburn Road
Downey, CA 90241
562.923.0711, ext 1204
Leigh@parkwater.com

LKJ/emz

Enclosure

cc: Town Clerk
Town Attorney

NOTICE OF APPLICATION FILING BY PARK WATER COMPANY, WESTERN WATER HOLDINGS, LLC, PWC MERGER SUB, INC., AND APPLE VALLEY RANCHOS WATER COMPANY FOR AUTHORITY FOR WESTERN WATER HOLDINGS, LLC TO ACQUIRE AND CONTROL PARK WATER COMPANY AND APPLE VALLEY RANCHOS WATER COMPANY

Application No. 11-01-019

On January 21, 2011 Park Water Company (Park Water), Western Water Holdings, LLC (Holdings), PWC Merger Sub, Inc. (Merger Sub), and Apple Valley Ranchos Water Company (AVR), a wholly owned subsidiary of Park, filed Application 11-01-019 with the California Public Utilities Commission (Commission or CPUC) seeking the Commission's authorization for Merger Sub to merge with and into Park Water and for Holdings to acquire and control, directly or indirectly, Park Water and AVR. Both Merger Sub and Holdings are wholly owned subsidiaries of Carlyle Infrastructure Partners Western Water, L.P., which is wholly owned by a group of investment fund vehicles associated with Carlyle Infrastructure Partners, L.P. (collectively, "Carlyle Infrastructure"). Both Park Water and AVR are Class A water companies, incorporated in the State of California, that provide public utility water service in California, subject to the Commission's jurisdiction and regulation.

The proposed Transaction will have no impact on the Commission's authority over Park Water or AVR. The Commission will retain all its current jurisdiction and control over Park Water's and AVR's public utility water services. The transfer of ownership and control from the current shareholders to Holdings pursuant to the terms of the Merger Agreement will not affect Park Water's or AVR's day-to-day operations. Nor will this transfer of ownership and control affect the policies of either Park Water or AVR with respect to customer service, employees, capitalization, rates, or other matters relating to the public interest or to the utilities' operations. The Transaction will enhance the financial strength of Park Water and AVR by providing the utilities potential access to capital through Carlyle Infrastructure.

Obtaining a Copy of the Application

The application and related exhibits may be inspected at AVR's office, located at 21760 Ottawa Road, Apple Valley, California 92307. It may also be inspected at the CPUC's Central Files Office in San Francisco at 505 Van Ness Avenue, San Francisco, California 94102 between the hours of 8:00 a.m. and noon daily. A copy of the application and related exhibits will be furnished by AVR upon written request to Leigh K. Jordan at Park Water Company, P.O. Box 7002, 9750 Washburn Road, Downey, California 90241 or by E-mail to leigh@parkwater.com. If you need additional information, you may call Park Water Company at (562) 923-0711.

Copies of the application have been provided to the CPUC's Division of Ratepayer Advocates (DRA) for review. DRA consists of engineers, accountants, economists, and attorneys who independently evaluate the proposals of utilities for and present their analyses and recommendations to the CPUC.

Responding to the Application

Formal responses or protests to the application must be filed with the CPUC's Docket Office by February 25, 2011 and must conform to the CPUC's Rules of Practice and Procedure. Informal comments or protests may be submitted to the CPUC's Public Advisor Office (PAO). The PAO was established to assist any member of the public who wishes to protest or participate as a formal party of record in CPUC proceedings. For assistance in filing a protest with the CPUC or to participate in the CPUC proceeding, please contact the PAO, 320 West Fourth Street, Suite 500, Los Angeles, CA

90013 or E-mail public.advisor.la@cpuc.ca.gov. Please refer to Application 11-01-019 in any communications.

If your City or others wish to submit informal comments or protests of this application as customers of AVR, they may do so by contacting the PAO at 320 West 4th Street, Ste. 500, Los Angeles, CA 90013 or via e-mail to public.advisor.la@cpuc.ca.gov. Any written correspondence or e-mail should refer to Application 11-01-019. All public comments become part of the formal public comment file in the proceeding and will be circulated to the assigned Administrative Law Judge, the assigned Commissioner, and the appropriate CPUC staff for review.

Public Advisors' Phone Number:
415-703-2074
Toll Free: 1-866-849-8390