

# Town of Apple Valley

## NEWS RELEASE

### FOR IMMEDIATE RELEASE

14955 Dale Evans Parkway • Apple Valley, California 92307

Contact: Kathie Martin, Public Information Officer

Phone: (760)240-7000 x 7070 Fax: (760)961-6242 E-mail: [kmartin@applevalley.org](mailto:kmartin@applevalley.org)

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### OFFICE OF RATEPAYERS ADVOCATES PROTESTS ALGONQUIN APPLICATION TO PURCHASE PARK WATER COMPANY

#### *Town of Apple Valley also Files a Protest to the Public Utilities Commission*

*Apple Valley, CA – January 9, 2015:* In a blow to the efforts of Carlyle Group to sell the Park Water Company to a Canadian firm, the Office of Ratepayers Advocates (ORA) filed a protest that listed “numerous specific concerns regarding the reasonableness and public interest of” Liberty Utilities Company’s application to purchase the assets of Carlyle’s Western Water Holdings. This includes Park Water Company, owner of Apple Valley Ranchos Water Company, which the Town of Apple Valley is seeking to purchase.

*ORA is a state-run watchdog organization with the mission of obtaining the lowest possible water rate for service consistent with reliable and safe service levels.*

“In an application to transfer control of a utilities’ assets, the applicants bear the burden of proof to show that the regulatory relief they request is just and reasonable,” the ORA’s protest filing says. It then recorded a long list of concerns that might indicate the deal is not in the public interest, including:

- Whether there will be any benefit or additional costs conferred to ratepayers through the transaction
- Whether ratepayers will be paying for any costs associated with the transaction
- The anticipated financial impact on Apple Valley Ranchos Water Company and Park Water Company of any additional holding company charges for shared managerial and corporate services that might be passed on to ratepayers.

“Because of the various concerns ORA raises regarding this Proposed Transaction,” the filing concludes, “the [Public Utilities] Commission should spend the required time to carefully review this Application before providing approval. Ratepayers must not be harmed in any respect due to this Proposed Transaction.”

The Town of Apple Valley’s protest pointed out similar concerns, noting that the application does not adequately explain how the transaction will (1) maintain or improve the financial condition of [Park Water Company owner] Western Water Holdings, (2) maintain or improve the quality of service of affected customers or (3) be beneficial on an overall basis to state and local economies and to the

affected communities.”

Similarly, the Town said, the Joint Application fails to adequately explain how Liberty Utilities can justify a \$327 million purchase price for Park Water without contemplating eventually proposing major increases in the rate base (and corresponding substantial rate increases) that would affect Apple Valley residents and businesses.

The Town concluded by asking the CPUC to deny the purchase application.

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