

## Dear New Mexico American Water customer:

You may have recently read news stories about a proposed change in ownership for New Mexico American Water. It is natural that you might have some questions about this proposed transaction, and we wanted to reach out and provide you with some answers.

### What is Happening?

On January 24, 2011, the parent company of New Mexico American Water, American Water, announced its intention to sell New Mexico American Water to EPCOR USA.

We can assure you that this transaction will not impact service and that both companies are equally committed to delivering reliable service throughout the transaction and beyond. Your service will be provided by the same staff, which will still be regulated by the New Mexico Public Regulation Commission.

### When is the Sale Happening?

The transaction is subject to the approval of the New Mexico Public Regulation Commission. We expect the transaction to close, or be completed, sometime in 2012.

### Who is EPCOR USA?

EPCOR USA is in the business of building, owning and operating water and wastewater systems and treatment facilities in the southwestern United States. In 2010, EPCOR USA entered into an agreement with American States Water to purchase and operate the Chaparral City Water Company, which serves 13,000 customers in the town of Fountain Hills, Arizona.

EPCOR USA is a wholly owned subsidiary of EPCOR Utilities, Inc. ("EUI"). EUI builds, owns and operates water and wastewater systems and treatment facilities as well as electric transmission and distribution networks. The company provides water and wastewater services to more than one million people in more than 70 communities in Western Canada.

EUI has a 100 year track record of providing safe and reliable electricity, water and wastewater services to the communities they currently serve and looks forward to continuing that tradition for New Mexico American Water customers.

### Still Have Questions?

We are all working very hard to make this transition seamless for all our customers. Please do not hesitate to call our customer service center with any questions you may have at (866) 430-0824.



**NEW MEXICO**  
**AMERICAN WATER**

**WE CARE ABOUT WATER. IT'S WHAT WE DO.**  
**(866) 430-0824 • [www.newmexicoamwater.com](http://www.newmexicoamwater.com)**

# Clovis News Journal

## New Mexico American Water to be Sold in \$470 Million Deal

**January 24, 2011** – New Mexico American Water will be sold to a Canadian utility company in an estimated \$470 million deal.

In the agreement, EPCOR Water (USA) Inc. would purchase companies providing water and wastewater services in Arizona and New Mexico, according to a Monday press release from NMAW.

American Water, which stands to make a \$20 million profit from the agreement, said in the release it will use the proceeds of the sale to reduce, “equity and debt financing.”

The agreement requires regulatory approval by the public utility commissions in the two states.

American Water serves approximately 174,000 customers in Arizona and New Mexico, employing more than 220.

There are more than 17,000 NMAW customers in New Mexico, with about 90 percent of the company’s service provided within a 20 mile radius of Phoenix.

Pledging to make the transition as seamless as possible, EPCOR said it anticipates

employees will, “continue to operate these systems within the EPCOR family,” the release said.

EPCOR USA is a subsidiary of EPCOR Utilities, Inc., which the release said builds owns and operates water, wastewater treatment facilities and electric transmission and distribution networks providing water and wastewater services to more than a million people in 70 west Canadian communities.

# SANTA FE NEW MEXICAN

## Utility’s Interests to Canadian Firm

**January 25, 2011** – New Mexico American Water has sold its interests in water and wastewater companies serving Edgewood and Clovis to Canadian-based EPCOR Water.

The company has about 2,000 residential and commercial connections in Edgewood, serving about 5,000 people. It has another 15,000 connections in Clovis serving more than 50,000 people. The deal must be approved by the New Mexico Public Regulation Commission.

New Mexico American Water is selling all its interests in New Mexico and Arizona for \$470 million.

The American Water Works Company is the largest investor-owned water and wastewater utility company in the United States.

“This transaction allows us to direct our focus to those operations where we can best serve customers and meet business objectives,” said Jeff Sterba, president and Chief Executive Officer of American Water. “Additionally, with this transaction we do not anticipate the need for an equity offering in 2011.”