

**JOHN ALKE**  
**CHRISTIAN DIETRICH**  
 HUGHES, KELLNER, SULLIVAN & ALKE, PLLP  
 40 West Lawrence, Suite A  
 P.O. Box 1166  
 Helena, MT 59624-1166  
 (406) 442-3690

**ATTORNEYS FOR UTILITY SOLUTIONS, LLC**

**DEPARTMENT OF PUBLIC SERVICE REGULATION  
 BEFORE THE PUBLIC SERVICE COMMISSION  
 OF THE STATE OF MONTANA**

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<b>IN THE MATTER OF</b> the Application of ) <b>UTILITY SOLUTIONS, LLC</b> to ) Implement Initial Rates and Charges ) for Water Services in its Elk Grove ) Subdivision, Gallatin County, Montana ) Service Area )	<b>UTILITY DIVISION</b>  <b>DOCKET NO. D2005.11.163</b>
<b>Consolidated with</b>	
<b>IN THE MATTER OF</b> the Application of ) <b>UTILITY SOLUTIONS, LLC</b> to ) Implement Initial Rates and Charges ) for Wastewater Services in its Elk ) Grove Subdivision, Gallatin County, ) Montana Service Area )	<b>UTILITY DIVISION</b>  <b>DOCKET NO. D2005.11.164</b>

**AFFIDAVIT OF JOHN ALKE**

STATE OF MONTANA            )  
   )  
 COUNTY OF LEWIS & CLARK    )        ss.

John Alke, being duly sworn upon his oath, deposes and says:

1. I am the attorney for Utility Solutions, LLC (“Utility Solutions”) in this docket (“General Rate Case”). I was also the attorney for Utility Solutions in another PSC docket

which involved the proposed sale of some of the assets of Utility Solutions to the Four Corners County Water and Sewer District, PSC Docket D2009.11.152 ("Sale Docket").

2. The original filings in the General Rate Case were prepared by Mr. Ronald R. Woods, a rate consultant and former rate analyst for the Commission who tragically died in 2008. After his death, Utility Solutions had to retain a new rate consultant, Ms. Sandra Barrows (also a former Commission rate analyst), and retained me as its attorney. Because of the significant passage of time that had elapsed, Utility Solutions filed an amended rate application on June 30, 2009, using 2008 as the historic test year.

3. The Sale Docket was filed by Utility Solutions five months later, on November 30, 2009.

4. There are only two parties in the General Rate Case, Utility Solutions and the Montana Consumer Counsel ("MCC"). Although the Elk Grove Homeowners Association ("HOA") was actively opposed to the Utility Solutions application for a rate increase, it chose not to intervene in the proceeding.

5. On January 8, 2010, almost four months before the contested case hearing in this case, Utility Solutions accepted the litigation position of the MCC, and accepted the annual revenue requirement established by that office after it had conducted its discovery in this case. Utility Solutions and the MCC executed and filed a Stipulation with the Commission in which it was agreed that the litigation position of the MCC was the appropriate outcome in the General Rate Case.

6. During the course of my representation of Utility Solutions in both the General Rate Case and the Sale Docket, I became aware that Commissioner John Vincent was regularly communicating, by email and by telephone with the residents of the District and the Elk Grove subdivision about both dockets.

7. I submitted a public records request to the Commission on February 1, 2010, in which I requested all emails sent to or received by the Commission or its Staff in which the General Rate Case, the Sale Docket, Utility Solutions, or myself was discussed. I received back from then Commission Chairman Jergeson, on February 5, 2010, a written response to my request in which he stated:

I have received your letter of February 1, 2010. I have directed staff to assemble the records that you requested. The Commission will forward those records to you as soon as they are assembled.

The post hearing briefing schedule in this docket was tied to the Commission's response to the public records request. However, no records were actually provided by the Commission pursuant to the public records request until June 21, 2011, almost seventeen months after they were requested ("Commission Response"). In the Commission Response, Commissioner Vincent did not provide a single email that he authored, and provided only one email that he received.<sup>1</sup>

8. In March of 2010, I received information from sources other than the Commission that indicated that Tony Kolnik, a friend of Commissioner Vincent, had been in regular contact with Commissioner Vincent about Utility Solutions and the pending Commission dockets. Mr. Kolnik neither lived in the District nor in Elk Grove. He wanted the District to extend service to him, but did not want to pay for the necessary main extensions. Mr. Kolnik wanted both to file a complaint against Utility Solutions, and to testify against Utility Solutions in the General Rate Case.

9. I sent to the Staff of the Commission, on March 19, 2011, an email in which I indicated that I knew that Tony Kolnik had been in regular contact with the Commission, and was planning to testify at the hearing in the General Rate Case. I indicated in my

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<sup>1</sup> Attached to my Affidavit as Exhibit 1 is Commissioner Vincent's response to the public records request.

email that Mr. Kolnik's participation at hearing would be inappropriate, as Mr. Kolnik was not a Utility Solutions customer, and had no standing in a Utility Solutions rate case. My email is attached to this Affidavit as Exhibit 2. On March 26, 2010, I was advised by the Commission attorney assigned to the General Rate Case, Mr. Al Brogan, via email, that Mr. Kolnik was going to be allowed to speak at the hearing in the General Rate Case, despite my objection. Mr. Brogan's response to my email is attached to my Affidavit as Exhibit 3.

10. The Commission Response to the public records request includes a March 19, 2010, email authored by Sarah Carlson, then an employee of the Commission. The email, which is attached to my Affidavit as Exhibit 4, indicates Mr. Kolnik had met several times with Commissioner Vincent in connection with the Utility Solutions dockets.

11. The Commission Response to the public records requests also includes a March 23, 2010, email authored by Sarah Carlson. The email, which is attached as Exhibit 5, indicates that the decision to let Mr. Kolnik testify in the General Rate Case was made in a non-public meeting between Commissioner Vincent and then Commission Chairman Jergeson.

12. I knew that Commissioner Vincent had attacked the honesty of Ms Campbell, the owner of Utility Solutions, during his tenure as a Gallatin County Commissioner. His attack was publicly reported by the media. On March 29, 2010, I received a forwarded email from a person living in the Four Corners area that indicated she had been called by Commissioner Vincent, and asked to attend the hearing in the General Rate Case. The email stated in pertinent part:

John thought it would be very interesting and important for us to be at the hearing. He indicated that it should be a lively meeting. PSC is quite sure Barb is withholding information, and PSC attorneys are going to be asking very pointed questions.

(My emphasis). Commissioner Vincent's statement that Barbara Campbell was "withholding information" was very close to his previous assertion, as a Gallatin County Commissioner, that Barbara Campbell was dishonest.

13. I immediately forwarded the email I had received to Al Brogan, the Commission attorney assigned to the General Rate Case. I indicated in my forwarding email that I believed it was necessary for Commissioner Vincent to recuse himself from the Utility Solutions cases. The email that was forwarded to me, and my forwarding email to Mr. Brogan, is at the beginning of the email string attached as Exhibit 6 to my Affidavit.

14. The Commission Response to the public records requests included two emails authored by Commissioner Vincent, but provided by others in response to the public records request. The two emails are attached as Exhibits 6 and 7 to my Affidavit. In his first email, authored by Commissioner Vincent on March 31, at 3:48 pm, he argues to Chairman Jergeson that he should not have to recuse himself. In his email to Chairman Jergeson, he does not deny saying that Barbara Campbell was "withholding information," and asserts that his statements were "factual and accurate".

15. The Commission held its hearing in this docket on May 3, 2010. The bulk of the hearing was devoted to hearing public comment from the residents of Elk Grove opposed to Utility Solutions. Commissioner Vincent sat silently through the entire hearing. Mr Kolnik also did not testify. Sometime later that night, the HOA posted on its website a summary of the hearing which included a comment that: "'our" PSC Commissioner, John Vincent, was the only one who asked no questions whatsoever. It is my hope is our advocate in commission deliberations." Attached as Exhibit 8 to my Affidavit is an excerpt of a download from the HOA website. The May 3 entry about the hearing is on page 5 of Exhibit 8.

16. In response to the stated concerns of the HOA, Commissioner Vincent communicated by telephone with the president of the HOA about the General Rate Case, and corresponded by email. A summary of the telephone conversations is set out on page 4 of Exhibit 8:

**May 25, 2010** – *[Since the PSC Hearing, I've had a couple of long conversations with John Vincent about his participation at the hearing. As it turns out, there were external pressures driving that situation, then his response was delayed by a need to have it vetted by PSC staff attorneys, and further by my traveling on business. My initial disappointment has been replaced by my long term appreciation for his work in the public sector, for his personal sacrifice in doing so, and for his commitment to an objective and detailed determination in this particular issue. Please read his comments below that I received on May 19. – Jerry]*

17. On September 19, 2010, the HOA reported further communications from Commissioner Vincent about the merits of the General Rate Case. The following summary is set out on page 2 of Exhibit 8:

September 19, 2010 – John Vincent has updated me with some info to let Elk Grove know the status of the Utility Solutions (US) rate Application. In a nutshell:

The delay is due to PSC is responding to a request for information from US's attorney. There is an internal discussion regarding whether Elk Grove ratepayers can be burdened with offsetting the less than expected growth in other US income streams. John Vincent is staying very interested and involved with this rate application.

18. On November 15, 2010, the HOA reported another contact from Commissioner Vincent about the General Rate Case, also set out on page 2 of Exhibit 8:

**November 15, 2010** – *John Vincent, our district's representative on the PSC, regarding the status of the Utility Solutions rate application sent this status update:*

US's attorney is in the hospital and will be for some time, plus recuperation. This will delay proceedings on the docket, though the PSC is ready to go. Sorry to report this, but wanted you to know right away. I'll keep you posted.

My health had absolutely nothing to do with the delay in these proceedings, and Commissioner Vincent's representation to the HOA was highly fictional. On November 15, 2010, the proceedings in this docket were still in a state of suspension because the Commission had not yet responded to the public records request.

19. On May 11, 2011, the HOA reported another contact from Commissioner Vincent about the General Rate Case, set out on page 1 of Exhibit 8:

May 11, 2011 – In my ongoing emails with John Vincent just to stay in touch, John provided this update about a week ago:

**Jerry, Things have changed again on the PSC! Another new chair[\*], and the staff attorney who was on the docket left two weeks ago to go to work for Northwestern Energy [ed: an attorney for the PSC going to work for an industry they oversee...]. No replacement, and filling the position will no doubt take a while. At this point, there's nothing new to report, except that Mary Wright at the Consumer Council told me just a few days ago that it's still the John Alke [ed: attorney for US] request (demand) that's holding things up.**

On May 11, 2011, the proceedings in this docket were still in a state of suspension because the Commission had not responded to the public records request.

20. On May 16, 2011, the MCC advised the HOA that Commissioner Vincent's representations to the HOA were not correct:

May 16, 2011 – I received an email late last week from Mary Wright of the MCC with a correction to the note below from John Vincent:

**For the record, it is not Mr. Alke's request that is holding things up. It is the PSC's failure to answer the request for over a year now that is holding things up.**

Exhibit 8, pg. 1.

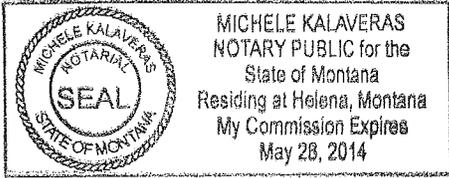
21. Commissioner Vincent's actions clearly indicate an impermissible bias against Barbara Campbell, the owner of Utility Solutions.

22. Commissioner Vincent's actions clearly indicate an impermissible lack of independence in this docket, and an impermissible association with the HOA and the residents of Elk Grove.

FURTHER AFFIANT SAYETH NOT.

John Alke John Alke

SIGNED AND SWORN TO before me this 19<sup>th</sup> day of October 2011, by JOHN ALKE

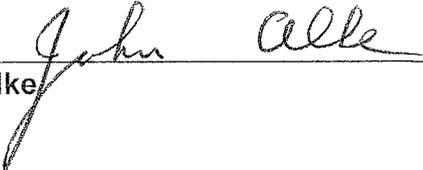


Michele Kalaveras  
(type or print name) MICHELE KALAVERAS  
NOTARY PUBLIC FOR THE STATE OF Montana  
Residing at HELENA, MT  
My Commission Expires: 05-28-2014

CERTIFICATE OF SERVICE BY MAIL

I HEREBY CERTIFY that a copy of the foregoing AFFIDAVIT OF JOHN ALKE was served upon the following by mailing a true and correct copy thereof on **October 19<sup>th</sup> , 2011**, addressed as follows:

MONTANA CONSUMER COUNSEL  
P O BOX 201703  
HELENA MT 59620-1703

  
\_\_\_\_\_  
John Alke

Public Records request of John Alke  
Utility Solutions—Re: Order No. 7062 in D2009.11.152

Vincent e-mails

Paine, Jim

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From: Vincent, John  
Sent: Tuesday, April 13, 2010 3:51 PM  
To: Brogan, Al  
Subject: Utility Solutions/MCC rate hike in Elk Grove

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From: JM B [bentleybulldog@hotmail.com]  
Sent: Saturday, March 27, 2010 10:23 AM  
To: Vincent, John  
Subject: Utility Solutions/MCC rate hike in Elk Grove

Hi John,

We will unfortunately be out of state during the upcoming PSC hearing April 7th. As voters within Gallatin Valley, we wish to voice our concerns regarding the proposed water rate hike within Elk Grove to you, in addition to submitting our comments via the PSC website.

Although we appreciate that the MCC has not yet approved the request rate hike proposed by Utility Solutions, the MCC proposed rate hike is still too high for the following reasons.

- Elk Grove residents already pay above what other valley residents pay. Research indicates the average water/sewer expense for a winter month is between \$30 to \$70 per month. Winter months are an accurate comparison, since no landscape watering occurs during winter months.

Meadowbrook subdivision (just east of Elk Grove): \$60/month Bozeman city: \$60/month  
Springhill area subdivision, between Bozeman and Belgrade: \$30/month River Rock Subdivision in Belgrade: \$40-45

If other companies are able to provide water and sewer services for between \$30-60 per month, Utility Solutions should be able to do the same. If Utility Solutions is unable to sustain their business at current rates, the problem is clearly within their organization since other companies are able to do so.

- If rates within Elk Grove are significantly higher than neighboring subdivisions, real estate values within Elk Grove will plummet. Why would a prospective buyer buy a home in Elk Grove where yearly water prices are nearly \$1000 more than in nearby subdivisions?

- If water rates are significantly raised, Elk Grove homeowner association fees will also need to increase to sustain foliage within the acres of public, county mandated open space within our subdivision. This further taxes already financially stressed households.

- There is no shortage of water above or below ground within our subdivision, so there is no environmental need to increase rates to limit water usage.

- Utility Solutions owns the water lines throughout our neighborhood, and we are prohibited from drilling wells. Consequently, we have no ability to acquire water from other sources.

- This rate increase is ill-timed, falling within the worst economic downturn during most of our lifetimes.

- Barbara Campbell's brushes with the law regarding water usage and water rights have been documented in past years within the Bozeman Chronicle. Additionally, our personal interactions with Utility Solutions have not demonstrated that Utility Solutions is a company run by upstanding individuals. My husband was home one afternoon when he spotted a man (Eric Campbell from Utility Solutions), about to dig in our yard. We were not given any notice, and Mr. Campbell did not have the courtesy to ring the doorbell to advise that he needed to locate a water valve on our property, let alone identify himself. Upon being asked his intentions, Eric Campbell became belligerent. If an interim rate hike is instantiated and it is later determined to be too high, what safeguards are in place to ensure Utility Solutions refunds our money in a timely manner?

Thank you,

Julianne Burgan (and Brian McGill)  
316 Annie Glade Drive  
Bozeman, MT 59718

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Hotmail: Trusted email with Microsoft's powerful SPAM protection. Sign up now. <<http://clk.atdmt.com/GBL/go/210850552/direct/01/>>

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The message was checked by ESET NOD32 Antivirus.

<http://www.eset.com>

**John Alke**

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**From:** John Alke  
**Sent:** Friday, March 19, 2010 12:16 PM  
**To:** Brogan, Al; Beeby, Leroy; scarlson@mt.gov  
**Cc:** Wright, Mary; Susan Swimley  
**Subject:** Tony Kolnik

It is my understanding that Mr. Kolnik has been in touch with the Commission and others regarding his disputes with the Four Corners County Water and Sewer District. Apparently, he is planning both to file a complaint against Utility Solutions at the PSC, and appear at the April 7<sup>th</sup> PSC hearing on the Elk Grove rates. It is my understanding that Mr. Kolnik's property is several miles from Elk Grove, abuts the District, and that he has been unsuccessful to date in getting the District to agree to extend service to him.

I suspect that no one can stop Mr. Kolnik from filing an unmeritorious complaint at the PSC. However, as we are all aware, only an Elk Grove customer can testify at a public hearing on Elk Grove rates. It would seem desirable for someone at the PSC to explain that to Mr. Kolnik before he expends a lot of time and effort preparing a presentation for April 7th. Perhaps that information has already been provided to him.

**John Alke**

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**From:** Brogan, Al [abrogan@mt.gov]  
**Sent:** Friday, March 26, 2010 10:30 AM  
**To:** John Alke; Beeby, Leroy; Carlson, Sarah  
**Cc:** Wright, Mary; Susan Swimley  
**Subject:** RE: Tony Kolnik

John –

I understand that others at the Commission have communicated to your regarding this in my absence and that Mr. Kolnik will be allowed to submit data, views or arguments at the public hearing, but that Mr. Kolnik's comments (Like other public comments) are not part of the evidentiary record, only the administrative record. I believe that this is required by § 2-3-111, MCA.

You stated "as we are all aware, only an Elk Grove customer can testify at a public hearing on Elk Grove rates." I recognize that there is a distinction between "testify" and "submit data, views, or arguments." Other than that distinction, what is the basis of your statement?

Thank you.

– Al

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**From:** John Alke [mailto:jalke@hksalaw.com]  
**Sent:** Friday, March 19, 2010 12:16 PM  
**To:** Brogan, Al; Beeby, Leroy; Carlson, Sarah  
**Cc:** Wright, Mary; Susan Swimley  
**Subject:** Tony Kolnik

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 (20100324) \_\_\_\_\_

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 (20100326) \_\_\_\_\_

The message was checked by ESET NOD32 Antivirus.

## Paine, Jim

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**From:** Carlson, Sarah  
**Sent:** Friday, March 19, 2010 1:52 PM  
**To:** Jergeson, Greg  
**Subject:** FW: John Alke message re Tony Kolnik

Greg:

FYI, I thought I would let you know about the below situation brewing.

I'm not sure if you are familiar with Tony Kolnik but he has been in the office numerous times and has discussed these issues with Leroy, Al, myself, and John Vincent. He frequently calls and emails with questions.

I believe Alke is correct that he is not in the subdivision and that he does not get service from the district, predominately because they want to charge him multiple thousands of dollars to hook him up to it.

Leroy and Al know the details much better but that is how I recall the situation.

*Sarah*

MT PSC  
scarlson@mt.gov  
406.444.6171

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**From:** Paine, Jim  
**Sent:** Friday, March 19, 2010 1:31 PM  
**To:** Carlson, Sarah  
**Subject:** RE: John Alke message re Tony Kolnik

I suggest that the decision whether to allow Mr. Kolnik to testify or not must be addressed by the Commission and Al Brogan. I'd tell Alke that the issue will be discussed next week amongst those handling the case for the Commission.

JCP

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**From:** Carlson, Sarah  
**Sent:** Friday, March 19, 2010 1:10 PM  
**To:** Whitney, Kate; McHugh, Robin; Paine, Jim; Kraske, Justin  
**Subject:** John Alke message re Tony Kolnik

Hello Everyone:

Leroy and Al are both out, but I thought someone else should see this.

Do we need to respond to Alke? Is it accurate that Tony will not be able to testify? I believe Tony is under the impression that he can.

If he cannot as Alke asserts, then I agree Tony should be told ahead of time.

Any ideas out there? Al is not back until the 25<sup>th</sup>; if we need to advise Tony, I think it needs to be before Al returns.

*Sarah*

MT PSC  
scarlson@mt.gov  
406.444.6171

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**From:** John Alke [<mailto:jalke@hksalaw.com>]  
**Sent:** Friday, March 19, 2010 12:16 PM  
**To:** Brogan, Al; Beeby, Leroy; Carlson, Sarah  
**Cc:** Wright, Mary; Susan Swimley  
**Subject:** Tony Kolnik

Exhibit 4 - Pg 1 of 3

It is my understanding that Mr. Kolnik has been in touch with the Commission and others regarding his disputes with the Four Corners County Water and Sewer District. Apparently, he is planning both to file a complaint against Utility Solutions at the PSC, and appear at the April 7<sup>th</sup> PSC hearing on the Elk Grove rates. It is my understanding that Mr. Kolnik's property is several miles from Elk Grove, abuts the District, and that he has been unsuccessful to date in getting the District to agree to extend service to him.

I suspect that no one can stop Mr. Kolnik from filing an unmeritorious complaint at the PSC. However, as we are all aware, only an Elk Grove customer can testify at a public hearing on Elk Grove rates. It would seem desirable for someone at the PSC to explain that to Mr. Kolnik before he expends a lot of time and effort preparing a presentation for April 7<sup>th</sup>. Perhaps that information has already been provided to him.

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Paine, Jim

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**From:** Carlson, Sarah  
**Sent:** Tuesday, March 23, 2010 10:44 AM  
**To:** Brogan, Al  
**Cc:** Jergeson, Greg; Paine, Jim; Beeby, Leroy; Vincent, John; McHugh, Robin; Kraske, Justin  
**Subject:** Tony Kolnik

Al:  
Here is a follow up to let you know that Greg, Jim, John and I discussed the issue the am and it was determined was made that Tony will be allowed to give public comments but will not be "testifying." Jim is going to let both Alke and Tony know this.

*Sarah*

**MT PSC**  
**scarlson@mt.gov**  
**406.444.6171**

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**From:** Carlson, Sarah  
**Sent:** Friday, March 19, 2010 4:51 PM  
**To:** 'John Alke'; Brogan, Al; Beeby, Leroy  
**Cc:** Wright, Mary; Susan Swimley  
**Subject:** RE: Tony Kolnik

John:  
This issue will be discussed next week by with those handling the case for the Commission.

*Sarah Carlson*

**MT Public Service Commission**  
**Public Information & Federal Relations**  
**scarlson@mt.gov**  
**406.444.6171**

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**Sent:** Friday, March 19, 2010 12:16 PM  
**To:** Brogan, Al; Beeby, Leroy; Carlson, Sarah  
**Cc:** Wright, Mary; Susan Swimley  
**Subject:** Tony Kolnik

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The message was checked by ESET NOD32 Antivirus.

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Paine, Jim

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From: Jergeson, Greg  
Sent: Wednesday, March 31, 2010 3:07 PM  
To: Brogan, Al; Vincent, John  
Subject: RE: Utility Solutions - Commissioner Vincent

I concur.  
Greg

-----Original Message-----

From: Brogan, Al  
Sent: Wednesday, March 31, 2010 3:07 PM  
To: Vincent, John  
Cc: Jergeson, Greg  
Subject: RE: Utility Solutions - Commissioner Vincent

John -- I do not think that anything is clear cut at this point and would prefer that we discuss this. I look forward to meeting a little before 8:30 on Tuesday.

-----Original Message-----

From: Vincent, John  
Sent: Wednesday, March 31, 2010 3:01 PM  
To: Brogan, Al  
Cc: Jergeson, Greg  
Subject: RE: Utility Solutions - Commissioner Vincent

Al, I would argue that I need not recuse myself, but if you and Greg believe that it's in the best interests of the commission and the hearing process for me to do so, I will not object. The integrity of the commission is paramount. I will respect your and Greg's judgement. I'll plan to arrive a little before 8:30 next Tuesday so we can meet.

(1) I would argue that there's little if anything in the email from Nancy Flikkema that indicates actual bias. Nancy's email is her recall of a phone call I gave her to her advise of conflict of meeting dates. The statements I made in that phone call were factual and accurate. I do not believe that suggesting the PSC isn't getting all the information it needs and that our attorney's will be asking tough or pointed questions are anything more than statements of fact that could be accurate and relevant in any number of cases. We should have all the information we need (we didn't) and we should ask tough questions.

(2) I have not given Tony Kolnick any encouragement ON THIS DOCKET. He is not affected by it. Mr. Alke may "sense" that I have, but he has offered nothing to substantiate it. If he has anything more than a "hunch," I think he's obligated to produce it.

Tony and I do go "way back." He was a student of mine years ago and he testified many times before the Gallatin County Commission when I was on the commission. He is a friend, and as with all my students, I have encouraged him to actively participate in government, politics and public affairs. But I haven't encouraged Tony to do anything relative to the Utility Solutions docket.

(3) You should also know that my relationship with Utility Solutions, and specifically, Barbara Campbell, has been a rocky one. Because I aggressively questioned her credibility and veracity as a county commissioner, our relationship was politicized, her attorney's referring to me in the press as "Montana's answer to Joe McCarthy." However, even a cursory look at my voting record on Utility Solutions issues while on the county commission\* and specifically AFTER this charges against me by Barbara Campbell through her attorney's will show a clear majority of votes I made FOR the positions taken by Utility Solutions and

Barbara Campbell. I believe that the primary impetus and rationale behind Mr. Alke's request is based on politics, assumption and past history more than anything else. My voting record clearly shows that I can, and have in the case of Utility Solutions, separated my personal thinking from my legal obligation to be fair and even-handed in quasi-judicial matters.

Be that as it may, I recognize that perception is reality, and that if you and/or Greg feel that perception outweighs reality in this case, I will do what' is in the the bests interests of the commission and its integrity.

Further, if ths is so clear cut that you and Greg have absolutely no doubt that I need and should recuse myself, forget the meeting and let me know what I need to do . If this proves to be the case, I would like to know what, once recused, I can and cannot do in regard to the docket. I don't want to create another problem for the commission.

John

\* I have also cast several votes "for" Utility Solutions while on the PSC, albeit t some "no" votes as well.

---

From: Brogan, Al  
Sent: Wednesday, March 31, 2010 1:22 PM  
To: Vincent, John  
Cc: Jergeson, Greg; McHugh, Robin  
Subject: FW: Utility Solutions - Commissioner Vincent

Commissioner Vincent -

I am forwarding an email I received from John Alke, attorney for Utility Solutions. In the email Mr. Alke requests that you recuse yourself in the Utility Solutions dockets. I am not prepared at this time to advise you in detail on the legal standards regarding recusal. I would state that every party before the Commission is entitled to a fair and impartial decision process. In my opinion, Commissioners should avoid even the appearance of any partiality prior to making a decision.

We (you, Chairman Jergeson, and I) need to discuss this as soon as practical. Can you meet next Tuesday at 8:00 or 8:30 before the scheduling meeting? I do not know if there will be time for a discussion after the work sessions and prior to other appointments.

- Al

From: John Alke [mailto:jalke@hksalaw.com]  
Sent: Monday, March 29, 2010 12:24 PM  
To: Brogan, Al; Wright, Mary  
Subject: Utility Solutions - Commissioner Vincent

Al:

I am forwarding this email to you, and to Mary Wright, separate and apart from my emails regarding Mr. Kolnik. My sense is that Mr. Kolnik has been given the same kind of encouragement by Commissioner Vincent as he is giving to Nancy Flikkema in the attached email. Commissioner Vincent is even touting how tough a fellow you are going to be at hearing. He is leading the Commission down a path filled with legal land mines. I think the time has come for Commissioner Vincent to recuse himself in the Utility Solutions cases. If he does not, it is the integrity of the entire Commission that will suffer.

Commissioner Vincent is creating problems for himself, and potentially the entire Commission, beyond fair hearing issues. He is interfering in the business relationship between Utility Solutions and the Four Corners County Water and Sewer District, a relationship over which the Commission has no regulatory authority.

---

From: Barb Campbell [mailto:dbltree1@qwestoffice.net]  
Sent: Friday, March 26, 2010 9:17 AM  
To: John Alke  
Subject: Fw: April 7th Meeting with PSC

----- Original Message -----

From: Martin Gagnon<mailto:mgagnon@m-m.net>  
To: Barb Campbell<mailto:dbltree1@qwestoffice.net>  
Sent: Thursday, March 25, 2010 3:51 PM  
Subject: FW: April 7th Meeting with PSC

FYI

Martin E. Gagnon, P.E.

Morrison-Maierle, Inc.

2880 Technology Blvd West

P.O. Box 1113

Bozeman, MT 59771

Exhibit 6 - Pg 3 of 5

406-587-0721

From: Ken & Nancy Flikkema [mailto:mcfg@imt.net]  
Sent: Wednesday, March 10, 2010 3:48 PM  
To: 'Cory Klumb'; 'Don McHenry'; 'Ed Schmidt'; 'Erin McHenry'; Martin Gagnon; 'Mike Pearson';  
'Susan Swimley'  
Subject: April 7th Meeting with PSC

John Vincent called me Sunday morning embarrassed that he had said he could meet with us on April 7th. It turns out that night is the hearing on the Elk Grove rates. It is to be in the Monforton School Gym at 7:00 p.m. I don't know if we can cover our regular business in a half hour or if we need to change our meeting time or date.

John thought it would be very interesting and important for us to be at the hearing. He indicated that it should be a lively meeting. PSC is quite sure Barb is withholding information, and PSC attorneys are going to be asking very pointed questions.

Nancy

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e, Jim

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From: Vincent, John  
Sent: Wednesday, March 31, 2010 5:47 PM  
To: Brogan, Al  
Cc: Jergeson, Greg  
Subject: RE: Utility Solutions - Follow-up Commissioner Vincent

Greg and Al, An good example of just how Mr Alke likes, or at least chooses to base his statements on unsubstantiated assumptions rather than fact is his email comment that Vincent is....."interfering in the business relationship between Utility Solutions and the Four Corners County Water and Sewer District....." This is true only if an offer (from me) to have a PSC staff member and commissioner (myself) present a power point program to the board on how the PSC functions, considers and decides rate cases is, in and of itself, "interfering in the business relationship between Utility Solutions and the Four Corners County Water and Sewer District." I made the offer, it was accepted by the Water and Sewer Board, calendared, then canceled because of the scheduling conflict with the Utility Solutions rate case. The Water and Sewer Board felt they wanted and needed to learn more about how the PSC handled rate cases, primarily (I'm relatively sure) because Barbara Campbell had characterized our role in the press as one that was essentially anti-ratepayer. Her statements in the press (essentially a threat meant to move the Board toward agreeing to purchase Utility Solutions) were such that Greg was compelled to respond. If that's "interfering," so be it, but I think it's a real self serving stretch.

John

---

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Cc: Jergeson, Greg; McHugh, Robin  
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- Al

Exhibit 7 - Pg 1 of 4

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To: Brogan, Al; Wright, Mary  
Subject: Utility Solutions - Commissioner Vincent

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Sent: Thursday, March 25, 2010 3:51 PM  
Subject: FW: April 7th Meeting with PSC

FYI

Martin E. Gagnon, P.E.

Morrison-Maierle, Inc.

2880 Technology Blvd West

Exhibit 7 - Pg 2 of 4

. Box 1113

Bozeman, MT 59771

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Nancy

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The message was checked by ESET NOD32 Antivirus.

Exhibit 7 - Pg 3 of 4



# Water Rate Increase • News, Information & Resources

All news, information & resources relating to the utility rate increase application by Utility Solutions will be retained here after appearing on the front page. The information is in date order from most recent down to oldest.

[Water Rate Increase • News, Information & Resources](#)

[Water Issue Status Update](#)

[PSC Chairman Ousted](#)

[Water Service Interruption](#)

[PSC Update 11/15](#)

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[Four Corners W&S Rates Set](#)

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[PSC Hearing Comments](#)

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[Utility Solutions Files Motion for Interim Rates](#)

[PSC Rate Hearing for Elk Grove](#)

[PSC Order: Not Stepping Aside for Utility Solutions](#)

[MCC Testimony to PSC](#)

[Corrected Numbers for Water/Sewer Proposal](#)

[Four Corners Utility Election Delayed](#)

[PSC Rate Case Stipulation](#)

[PSC Press Release 12/30](#)

[MCC Requests Extension Due to US Delay](#)

[Water Rate Committee](#)

[Utility Solution Sale Application Filed](#)

[Utility Solution Sale](#)

[MCC Meeting Answers](#)

[HOA Meeting with Mary Wright Quick Overview](#)

[Four Corners W&S District Vote Rate](#)

[Correction to Committee Report](#)

[MCC Meeting with Elk Grove Community](#)

[Water Committee Minutes](#)

[Water Committee Flyer](#)

[MCC to Visit Elk Grove](#)

[Interesting Elk Grove Board Response](#)

[Utility Rate Increase Committee Meeting](#)

[4C Water & Sewer Info](#)

[MCC Discovery Lists](#)

[Four Corners Water & Sewer District Draft Rates](#)

## Water Issue Status Update

### Correction

May 16, 2011 — I received an email late last week from Mary Wright of the MCC with a correction to the note below from John Vincent:

**For the record, it is not Mr. Alke's request that is holding things up. It is the PSC's failure to answer the request for over a year now that is holding things up.**

May 11, 2011 — In my ongoing emails with John Vincent just to stay in touch, John provided this update about a week ago:

**Jerry, Things have changed again on the PSC! Another new chair[\*], and the staff attorney who was on the docket left two weeks ago to go to work for Northwestern Energy [ed: an attorney for the PSC going to work for an industry they oversee . . . ]. No replacement, and filling the position will no doubt take a while.**

**At this point, there's nothing new to report, except that Mary Wright at the Consumer Council told me just a few days ago that it's still the John Alke [ed: attorney for US] request (demand) that's holding things up.**

— John Vincent

### What Can We Do?

I believe that John is working in the midst of the political chaos of the PSC board to try to give everyone involved a fair and equitable outcome which is the mission of the PSC. However, while the PSC is having an ongoing conversation with Utility Solutions as applicant and has that attendant familiarization, except for my staying in touch with John, the Elk Grove Community is silent and may be somewhat forgotten. Officially, the time for submission of comments is FAR behind us; however, how can it hurt our cause to revisit our collective fervor by sending cards, letters, emails, and phone calls to the PSC and the MCC ([contact info here](#)), and may actually serve to remind them that there are many people who will be harmed by being too generous to Barb Campbell. Let's show the PSC we're still concerned and waiting; our silence doesn't serve us. — Jerry

## PSC Chairman Ousted

April 15, 2011 — HELENA, Mont. (AP) — A Republican member of the Public Service Commission has joined with the Democratic minority to oust the GOP chairman and take over as leader.

Friday's hearing started as a discussion on whether to reprimand vice chairman Brad Molnar over a recent trip Washington, D.C.

Democratic commissioner Gail Gutsche and Republican Travis Kavulla say chairman Bill Gallagher knew about the trip but he and Molnar kept it a secret from the other three members.

The meeting devolved into a heated argument before a recess was hastily called.

Upon return, Kavulla and Gutsche voted to remove Gallagher as chairman. Gutsche also voted to remove Gallagher on behalf of absent Democratic member of the commission, John Vincent.

Molnar immediately resigned as vice chairman. Kavulla was then named the new chairman on a 3-2 vote.

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[Four Corners Water & Sewer District Rate Increase](#)

[Utility Rates Web Page](#)

[MCC Actions](#)

[Water Rate Increase Review Committee](#)

[Schedule for PSC Rate Application](#)

[Interested in a Meeting Here with the MCC?](#)

[Forbes Article on the Owner of Utility Solutions](#)

[What is the MCC?](#)

[John Vincent, PSC Commissioner](#)

[HOA Board & Utility Solutions](#)

[Utility Solutions & the Board](#)

[More Info about the PSC and Utility Solution's Rate Increase](#)

[Want Higher Bills for Water & Sewer? Act Now!](#)

## Water Service Interruption

December 31, 2010 — *I just received this from Christina Yearman Hartley of our Board:*

I received a call from Utility Solutions only today that there will be a water cut-off this coming Monday, January 3 from 10 am to Noon, though it may run longer. The HOA board has no control over this, and if you would like further information or wish to lodge a complaint, please contact the PSC or Utility Solutions.

— Christina Yearman Hartley

## PSC Update 11/15

November 15, 2010 — *John Vincent, our district's representative on the PSC, regarding the status of the Utility Solutions rate application sent this status update:*

US's attorney is in the hospital and will be for some time, plus recuperation. This will delay proceedings on the docket, though the PSC is ready to go. Sorry to report this, but wanted you to know right away. I'll keep you posted.

— John Vincent

## PSC Update 11/1

November 1, 2010 — *I received this note from John Vincent, our district's representative on the PSC, regarding the status of the Utility Solutions rate application:*

Mr. Brogan [PSC's Staff Attorney] told me yesterday that he will complete the work he needs to do in order for the commission to make a decision by the end of the year. He does not want the docket to become a "hold over" for the new commission, which will have one or two new members depending on Tuesday's election. I will keep you posted and let you know when staff has finished its order on the docket.

— John Vincent

## Water & Sewer Rate Application Update

### **This IS about Elk Grove**

September 19, 2010 — John Vincent has updated me with some info to let Elk Grove know the status of the Utility Solutions (US) rate Application. In a nutshell:

The delay is due to PSC is responding to a request for information from US's attorney.

There is an internal discussion regarding whether Elk Grove ratepayers can be burdened with offsetting the less than expected growth in other US income streams.

John Vincent is staying very interested and involved with this rate application.

John has been as generous as he can with information regarding a rate application that is under active review. One question that I asked was regarding the information that came out at the public testimony in which it became known that the MCC did not pursue their mission with vigor and failed to investigate data that US supplied for their application. Furthermore, in their testimony they stated that the MCC has no expertise to understand the facts, and that although their mission and their budget allows them to hire outside experts, they chose not to do so. The MCC accepted the data outright without any knowledge of what the information was or if it was factual.

John has indicated that the applicable statute implies that the PSC must accept the MCC data and position under the presumption that the MCC actively behaves as an advocate for the ratepayer, which is their sole mission — where the PSC assumes the role of objective arbiter. He also notes, however, that the statute holds the opportunity of an open door for the PSC to become involved in the findings of the MCC on the basis of inadequate data. His view is that the statute is unclear and possibly an opportunity for litigation from either side,

depending upon the outcome. The question is how the PSC will view the statute in view of the abject failure of the MCC.

Litigation would be costly and risky, and would put a huge cloud over the saleability of homes in Elk Grove while it was in a process that could take years. It may well be that while the PSC is interacting with Utility Solutions on a regular basis, our role as ratepayers may be relatively forgotten. If you're not comfortable with the idea of paying these current higher interim rates forever, then letters, email, and/or phone calls may well serve our community to remind the PSC that lives are involved other than that of the millionaire Barb Campbell.

— Jerry

## Four Corners W&S Rates Set

**(\*\* Not for Elk Grove \*\*)**

August 23, 2010 — *This appeared in Friday's Belgrade News. The important item to note in paragraph three is, "... , rates for residential use throughout the district remained the same except for a reduction in the base amount of allotted water..." which should make all of us anticipate similar treatment when we have the PSC ostensibly seeking fair treatment for ratepayers.* — Jerry

Posted: Friday, August 20, 2010 3:00 pm

By Michael Tucker, staff writer

Last week, the Four Corners Water and Sewer board unanimously adopted new rates for district customers in light of a failed attempt to purchase Utility Solutions, Inc., the private utility that serves the district.

The board adopted rates last November, but those had to be amended when the purchase fell through, according to district records. The \$22.9 million buyout was nixed after the district lost a funding source and board members couldn't find an equitable way to assess the purchase price to the system's users.

For the most part, rates for residential use throughout the district remained the same except for a reduction in the base amount of allotted water, according to district records. The district separated the pay scale into six categories. [Read More](#)

Except for Galactic Park subdivision, water bills for both single- and multi-family units will be \$36 per month for 4,000 gallons, according to documents. Users will pay \$2.80 for each additional 1,000 gallons used. Sewer bills will be a flat \$44, an amount unchanged from November.

Commercial condominiums and Galactic Park single-family residential homes will pay \$54 per month for 6,000 gallons of water, according to district records. Users will pay \$2.80 for each additional 1,000 gallons. The sewer rate will be \$66 per month.

Residential and commercial condominiums with one meter per building will be billed according to a multiplier that will depend on the number of units in the complex, according to district records.

Strict commercial properties, excluding condominiums, will pay \$126 per month for 14,000 gallons of water. Users will pay \$2.80 for each additional 1,000 gallons and sewer rates will be \$154 per month.

Two categories of users will be charged differently, using a calculation based on water consumption, called an EDU, according to district records.

Those properties include lots at Bozeman Hot Springs, a car wash, some commercial lots in Galactic Park and the Central Valley Fire District's new station, among others.

Irrigation-only users will be charged \$36 per month for 4,000 gallons of water and \$2.80 for each additional 1,000 gallons. Bulk water purchases must be metered to determine the volume of water usage and will be assessed \$10 per gallon.

## PSC Action Status

July 1, 2010 — After a query from a homeowner (thanks, Ryan), I contacted John Vincent, our PSC commissioner to find out the current status of the rate application. John quickly responded with info from Al Brogan, the Chief General Counsel of the PSC.

"As of now, the procedure is in a holding pattern." Utility Solution's attorney John Aike requested a delay in the due date of his brief as a result of requesting more information from the PSC. After the PSC provides the requested information to US's attorney, the PSC will then establish and publish the briefing deadlines.

— Jerry

## John Vincent on PSC Hearing

May 25, 2010 — *[Since the PSC Hearing, I've had a couple of long conversations with John Vincent about his participation at the hearing. As it turns out, there were external pressures driving that situation, then his response was delayed by a need to have it vetted by PSC staff attorneys, and further by my traveling on business. My initial disappointment has been replaced by my long term appreciation for his work in the public sector, for his personal sacrifice in doing so, and for his commitment to an objective and detailed determination in this particular issue. Please read his comments below that I received on May 19. — Jerry]*

Elk Grove Homeowners:

A legitimate question has been raised about my lack of participation during the PSC's hearing on the Utility Solutions/Elk Grove Community rate case.

I understand why my silence at the hearing raised concerns, so I'd like to briefly explain my conduct.

During the weeks leading up to the hearing, the PSC received a request (through legal counsel from Utility Solutions) that I recuse myself from the case, in essence arguing that I could not be fair or objective in my consideration of the stipulation). (Once recused, a commissioner cannot participate in, or vote on the stipulation).

I did not recuse myself because I felt I could, and would, be both fair and objective. But because virtually any comment I made, or any question I asked, ran a serious risk of initiating either an immediate legal request for my recusal or a later legal challenge to my vote on the stipulation, I chose to be cautious and not participate.

I want to assure you that I have worked very hard on the Utility Solutions/Elk Grove Community case, both with PSC staff and my fellow commissioners. I am sorry that my lack of participation at the hearing left doubts as to my involvement in, and commitment to the case. It's my hope this explanation helps ameliorate any doubts or concerns Elk Grove Community residents have harbored since the hearing.

Sincerely,  
John Vincent

## PSC Hearing Comments

### **This is a Great Community**

May 3, 2010 — **We have a great community** — that's what I came away with from tonight's meeting. A Monday night meeting that was announced long ago and largely forgotten, and yet an amazingly large crowd came out in a show of solidarity, a show of community. The

president of the PSC stated that although they have many such hearings, the attendance at ours was the largest. Christine Harlley, our Board Secretary rushed into town for materials to post reminder signs, made them, then found her signs being ripped away by the winds — a thankless job for which I thank her, and you should as well.

The question is, "where do we stand." I'd like to invite comments from everyone to share their insights for the meeting, which I'll publish.

My impressions are that the commission had pointed questions for not only Utility Solutions' expert witness, but also for the MCC's expert witness. There was a clear bit of trying to not say the wrong thing by US's witness in the face of aggressive questioning on weak points of their submissions.

The questions from the commission to the MCC's expert witness (our advocate, recall) pointed out some sadly weak investigations on our behalf. This is especially discomfoting given that the MCC has the ability to hire whom they wish to investigate. They didn't; they just used their self-admitted topically uninformed staff.

The other unimpressive thing is that "our" PSC commissioner, John Vincent, was the only one who asked no questions whatsoever. It's my hope that he is our advocate in commission deliberations.

The wonderful and amazing part was, well, us — our neighbors, our community. The turnout was incredible (but for those of you who didn't come, you should have). Then during the two public comment periods, cogent questions and comments were respectively offered. During the second comment period, many people came forward offering specific points of consideration and a few cogent yet poignant comments and questions.

There are about 45 days to the submission of briefs by the MCC and by US's attorney, then no more than 90 days to the final determination, but which could come sooner. We don't know where we are on this, and so our future on this point is in the hands of the PSC. Light candles.

What we do have is a great community. And that's a lot to be thankful for.

— Jerry

## PSC Denies Interim rates

March 16, 2010 — Mary Wright just sent that, "**The Commission just voted 4-1 not to approve the new interim rates that Utility Solutions recently asked for. This means that Utility Solutions can lawfully impose the originally requested (higher) rates on April 1. Whether it will is another question.**"

Read the article below to keep in mind that the PSC is able to require that any over- or under-payment that has been made before they make their final ruling be refunded/invoiced.

This makes everyone's attendance at the April 7 hearing that much more important.

— Jerry

## Utility Solutions Files Motion for Interim Rates

March 9, 2010 — Last Friday, Mary Wright communicated to Coco and I the following:

Yesterday, Utility Solutions filed a [motion for interim rates](#) at the level recommended by MCC. MCC agreed in the stipulation to this. By law, the Commission has 9 months to process a rate case. That time period expires on March 31. The law provides that if new rates aren't approved by that time, the utility can implement the higher rates that it first requested, subject to refund if lower rates are eventually approved. If the Commission does approve the requested interim rates, then the higher rates won't go into effect even temporarily.

Coco and I were each somewhat alarmed by this information and each posed questions to Mary and staff of the PSC. We came away with the following conclusions.

Regarding the fact that our hearing on April 7 is after this expiration period on March 31 noted above, Mary commented: "Delaying the hearing has little effect -- the original hearing date was March 31, but after a hearing it takes time to prepare a final order and take a vote of the Commission. So the same situation would have occurred, just different by a week. Believe me, the PSC does want to hear your comments and views."

Although because of the nine month time of process, Utility Solutions (US) can raise rates temporarily, once the PSC has ruled Montana Code Annotated sections 69-3-302 and -304 together discuss the ability of the PSC to require that any overcharges be refunded.

Remember that the decision is with the commission, based upon the Utility Solution's application, the research and submission of the MCC, and the results of the PSC discovery and what they take away from the hearing, which includes the presentations of those affected: homeowners of Elk Grove, and their analysis of the entire body of information.

The maximum rate that will be implemented is that which the MCC stipulated.

The PSC is still looking for responses from Utility Solutions which are being slow to be provided.

**The PSC can rule for a lower amount based upon all factors. This point is repeated because it is the most critical to us in Elk Grove. This fact puts the burden on everyone here to show up at the hearing and to motivate our friends and neighbors to do the same. Not showing up is a *de facto* vote for Utility Solution's request. Show up on April 7 to show your solidarity. If you are willing to speak there, please do, but simply being there is critical.**

— Coco Douma &  
Jerry Meek

## PSC Rate Hearing for Elk Grove

March 2, 2010 — I have scheduled the

### **Wednesday, April 7 Elk Grove rate hearing for 7:00 PM at Monforton School.**

Apparently sources at the Montana Consumer Council have stated that the hearing is scheduled for 5:30. THIS IS NOT CORRECT.

As chairman for the hearing, I am responsible for setting the time the hearing will begin. Because so many residents are interested and involved in this rate case, it's important that the hearing time be set to accommodate as many residents of Elk Grove as possible. It's my hope that a 7PM start will assure maximum attendance and full participation.

— Thanks, John Vincent, Montana Public Service Commissioner 763-3010

## PSC Order: Not Stepping Aside for Utility Solutions

January 29, 2010 — Mary Wright of the MCC forwarded the latest Order of the PSC declining the request by Utility Solutions for a declaratory ruling that the PSC has no jurisdiction over the sale of US to the Four Corners Water & Sewer District. The vote was unanimous. [Read the ruling here](#).

## MCC Testimony to PSC

(January 14, 2010 — Links fixed.)

January 13, 2010 — *(Information from Mary wright of MCC — Ed.):*

From some questions we have been getting, it seems people may not have read Paul's testimony. It was filed, as you recall, while I was away over the holidays, so I didn't send it to you. [Here it is](#). The exhibits are available at the PSC website. [Downloaded and are available here for [water](#) and [sewer](#). — -Jerry] His testimony is the best explanation

on the public record for our position, which is exactly what is embodied in the stipulation.

The PSC staff recommended, and the PSC approved, an additional issue as to how Utility Solutions keeps its books. Utility Solutions has to respond with testimony on the 22nd. The staff plans to visit again and go over more records.

Staff also tells me that the PSC is not likely to grant the motion to suspend the procedural order, so besides additional issue testimony, the company will be filing rebuttal testimony.

As always, I'll keep you posted.

Thanks,

Mary

**Downloads:**

[Testimony](#)

[Exhibits: water](#)

[Exhibits: sewer](#)

## Corrected Numbers for Water/Sewer Proposal

January 11, 2010 — Coco provided corrected numbers for the comparison of proposed rates.

[see below](#)

## Four Corners Utility Election Delayed

January 9, 2010 —There is an informative article in today's *Chronicle* that is however, misleadingly mistitled. The sale election isn't called off, but rather simply **delayed** until later this spring (yes, even our local media is guilty of sensationalizing sometimes)

[Read the Chronicle article.](#)

— Jerry

## PSC Rate Case Stipulation

January 6, 2010 — From an email by Mary Wright to Coco DOuma and myself

Utility Solutions accepted all of our recommendations in Paul's 12/23 testimony, and we jointly filed the [attached Stipulation](#) with the PSC this afternoon Utility Solutions also filed a motion, which we supported, to suspend the rest of the procedural schedule and move the hearing from March 31 to the week of April 5.

The PSC will next consider whether to approve the settlement. Approval is not a foregone conclusion.

— Mary Wright

In the Appendix of the [Stipulation](#), the rates proposed are shown. The following table compares current and proposed rates based on an earlier analysis by Coco Douma:

(updated 1/11)

	10,000 Gallons		30,000 gallons	
	Current	Proposed	Current	Proposed
Sewer	\$53.79	\$80.42	\$53.79	\$80.42
Base	\$14.68	\$23.95	\$14.68	\$23.95
Usage	\$16.44	\$38.88	\$49.32	\$116.64
<b>Total</b>	<b>\$84.91</b>	<b>\$143.25</b>	<b>\$117.79</b>	<b>\$221.01</b>
<i>Monthly</i>		<b>+\$58.34</b>		<b>+\$103.22</b>
<i>Annual</i>		<b>+\$700.08</b>		<b>+\$1,238.64</b>

Considering that usage rates will vary over the year, averaging the two usage rates results in an average annual increase of around \$1,000.