

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

IN THE MATTER of the Consolidated)	REGULATORY DIVISION
Petition by Mountain Water Company for)	
Declaratory Rulings and Application for)	Docket No. D2011.1.8
Approval of Sale and Transfer of Stock in)	
Park Water Company)	

**CARLYLE INFRASTRUCTURE PARTNERS, LP
RESPONSE TO REQUEST OF CLARK FORK COALITION FOR
RECONSIDERATION OF THE MAY 13, 2011 PROCEDURAL ORDER**

Carlyle Infrastructure Partners, LP respectfully submits this Response to the Request of Clark Fork Coalition for Reconsideration of the May 13, 2011 Procedural Order. In response, Carlyle urges the Commission not to further delay these proceedings and to preserve the procedural schedule just ordered.

On January 24, 2011, Mountain Water asked the Commission to either disclaim jurisdiction over the sale and transfer of Park Water Company to Carlyle or, in the alternative, grant approval for that sale. In the original filing, Mountain Water specifically requested an expedited procedural schedule that sought a decision on the jurisdictional question by February 28 and, if necessary, a decision on the application by May 19. It is now May 16 and the Commission has just established a procedural schedule that calls for a hearing the first week in August, if necessary, and a decision to follow. If this matter goes to hearing, even if the Commission were able to put out an order within a month, such a decision would come over seven months after the filing of the application.

On the April 14, 2011 conference call between the Commission Staff and the parties, Carlyle fully supported the thoroughly-vetted and agreed-upon schedule that was ultimately ordered by the Commission on May 13. Carlyle understands that the issues in this case warrant careful consideration. For that reason, we did not object to setting a schedule that allows the time needed by the Commission and the other parties to carefully analyze the application. We also worked with the schedules of all concerned to find days that would not pose conflicts with preexisting work obligations or family vacations. Ultimately, finding days that worked for everyone was very difficult. But, at the end of the call, no party, including Clark Fork, raised any objection to the agreed-upon schedule despite the understood reality that the timing a Commission decision on jurisdiction was uncertain. Indeed, for our part we understood that it was possible the Commission might well elect to defer a decision on the jurisdictional question until the end of the evidentiary hearing.

Carlyle strongly believes that the proposed sale is in the best interest of both Mountain Water and its customers. Therefore, we believe it is in the public interest to move this process forward. Consistent with this objective, we submitted our direct testimony on May 6, as agreed on the April 14 conference call, despite the fact that the Procedural Order had not yet been officially issued. Our intent was to provide the other intervenors all of the time they said they needed to evaluate that testimony and pose discovery to Carlyle. As a result, Clark Fork and the other intervenors will have had the full agreed-upon interval to submit discovery and prepare their testimony.

For all of these reasons, Carlyle urges the Commission to reject the proposal by Clark Fork to postpone the entire procedural schedule indefinitely pending a decision

by the Commission on the jurisdictional issues. Importantly, Clark Fork's request is not based on any claim that the organization is unable to meet the schedule set forth by the Commission. Rather, Clark Fork's sole argument is that there might be time and resources spent on this matter that turn out to be "for naught" should the Commission disclaim jurisdiction. But this concern is simply a reality of any legal process. We have all been in cases where a last-minute settlement causes extensive hearing preparation to go for naught. From time to time, despite the fact that parties expend large amounts of time and resources, it happens that applications are withdrawn, interventions are withdrawn, testimony is withdrawn, and dispositive motions are granted. All of these possibilities are simply a part of any legal process and not good cause to reverse the Commission's May 13, 2011 Procedural Order.

Finally, if the Commission indeed intends, as is stated in the May 13 Order, to make a decision on the jurisdictional question in the "upcoming weeks," the time and resources spent by Clark Fork before then will be minimal. At this point in the process, Clark Fork has the opportunity to ask data requests to Mountain Water and Carlyle. The process of asking questions is not particularly time intensive (certainly not compared to the process of answering them). Clark Fork's testimony, should it elect to file testimony, is not due until a month down the road – June 14, 2011.

WHEREFORE, for the reasons stated above, Carlyle respectfully urges the Commission to keep this important case moving forward and deny Clark Fork's request to reconsider the May 13, 2011 Procedural Order.

Respectfully submitted this 16th day of May, 2011.

CARLYLE INFRASTRUCTURE PARTNERS, LP

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CERTIFICATE OF SERVICE

I hereby certify that on this, the 16th day of May, 2011, the foregoing CARLYLE INFRASTRUCTURE PARTNERS RESPONSE TO REQUEST OF CLARK FORK COALITION FOR RECONSIDERATION OF MAY 13, 2011 PROCEDURAL ORDER was served via electronic mail and U.S. mail unless otherwise indicated to the following:

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