

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

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IN THE MATTER OF the
Consolidated Petition by Mountain
Water Company for Declaratory
Rulings and Application for Approval
of Sale and Transfer of Stock in
Park Water Company

UTILITY DIVISION
DOCKET NO. D2011.1.8

DATA AND INFORMATION REQUESTS TO THE CARLYLE GROUP

1. Mountain Water Company states in its January 24, 2011 Application submitted to the Montana Department of Public Regulation before the Montana Public Service Commission in paragraph 22, top of page 8 that, "Additionally access to the resources of Carlyle should maintain or enhance Park's access to the capital markets to meet its periodic needs for outside sources of funds." Does Carlyle agree with the quoted Mountain Water Company statement? If Carlyle agrees, please explain in detail how this would work and how any interest rates on Carlyle's financing endeavors would compare to Mountain Water's financing endeavors.
2. Please describe in detail how Carlyle's additional access to resources will "enhance Park's access to the capital markets to meet its public needs for outside sources of funds," as stated by Mountain Water Company in their application.

3. Mountain Water Company on page 2, paragraph 5 of their application filed before the Montana Department of Public Service Regulation states that Carlyle Infrastructure Partners Western Water, L. P. is wholly owned by a group of investment vehicles associated with Carlyle Infrastructure Partners, L. P. (collectively Carlyle) and that "Carlyle invests primarily in transportation and water infrastructure assets in the U. S. and Canada. Carlyle has committed capital of \$1.4 billion that is managed by The Carlyle Group." Do you agree with Mountain Water Company's herein quoted statements from their January 24, 2011 application? If so, please explain in detail why you agree and how the above quoted statement from Mountain Water Company's application pertains to and/or relates to Carlyle's future ownership, administration, or management of Mountain Water Company's water system serving the Missoula community and/or serves the best interests of the Missoula community.

4. Please describe in detail Carlyle's envisioned and/or planned short-term and long-term monetary investments in infrastructure and operations for Mountain Water Company's water system serving the Missoula community after Carlyle acquires Park Water Company, which owns Mountain Water Company.

5. What is Carlyle's position as to the adequacy of current Mountain Water Company water rates after Mountain Water Company successfully obtained its 2011 water rate increases?

6. How long into the future does Carlyle anticipate it will be before Carlyle believes it will be necessary to petition the Montana Public Service

Commission seeking a water rate increase for Mountain Water Company operations in the Missoula community?

7. Why is Carlyle interested in acquiring Park Water Company owner of Mountain Water Company that owns the Missoula community water system?

8. Does Carlyle have any other "transportation and water infrastructure assets" that it owns in Montana, the northwestern United States, or western Canada? If so, please identify each such asset in detail.

9. What are Carlyle's short term plans for operating, managing, and administering Mountain Water Company's Missoula community water system during the first year of acquisition and ownership of Park Water Company?

10. What is Carlyle's philosophy with respect to whether water customers of Mountain Water Company should be metered?

11. What does Carlyle intend to do with respect to the hundreds of unmetered Mountain Water Company residential and commercial water customers?

12. Does Carlyle have any interest in working cooperatively with the City of Missoula with respect to City of Missoula sanitary-sewer billing being keyed into customer water consumption with respect to water usage within buildings?

13. Does Carlyle have any plans pertaining to implementing or establishing water-treatment facilities for the Mountain Water Company water system serving the Missoula community?

14. Will Carlyle continue and/or enhance the many existing instances of current Mountain Water Company and City of Missoula efforts attempting to work cooperatively on community issues including, but not limited to: (A) water system expansion in the urban Missoula community and to those who are developing land and are interested in acquiring Mountain Water Company water service; (B) fire hydrant placement and maintenance; (C) maintaining the current water system assessment mechanism for paying for fire hydrant water flows and operations; (D) street department truck paid access to water from fire hydrants for washing and sweeping streets; (E) coordinated utility structure replacement, repair, and improvement projects; (F) coordinated utility underground line replacement, repair, and improvements in advance of major street-improvement work within the city limits so streets are not unnecessarily torn up multiple times to work on underground utilities; (G) etc.?

15. What are Carlyle's short-term plans for operating, managing, and administering Mountain Water Company's Missoula community water system during the initial three years of ownership after acquiring the stock of Park Water Company?

16. Please describe in detail any and all representations Carlyle made to Park Water owners, administrators, or managers concerning the purpose of

Carlyle's acquisition of Park Water Company as part of any discussions, communications, etc. that occurred. Please provide a copy of any and all communications that exist and are available as evidence or documentation of any aspect of a discussion or negotiation, such as any written letter or email.

17. Please describe in detail any and all representations Carlyle made to Park Water owners, administrators, or managers concerning Carlyle's future operations, management, and/or administration of Mountain Water Company's water system in the Missoula community. Please provide a copy of any and all communications that exist, and are available as evidence or documentation, of any aspect of a discussion or negotiation on these topics, such as written letter or email.

18. Please describe in detail any and all aspects of Carlyle's intended role and/or involvement in Mountain Water Company's community water system in the Missoula community.

19. What is Carlyle's philosophy and/or intention with respect to annually maintaining existing Missoula community water system infrastructure and investing long term in capital infrastructure?

20. What is Carlyle's philosophy and/or intent with respect to expanding or extending the current Mountain Water Company Missoula public water system to serve developing areas in the Missoula community that would like to have access to Mountain Water Company's water system for water service?

21. Will Carlyle continue to recognize any and all of the current Mountain Water Company water rights for the Mountain Water Company water system and the potable drinking water generated therefrom as being solely for the public water system serving the Missoula community?

22. Will Carlyle commit to not ever attempting to either separately and independently sell any of the drinking water generated or any of the Mountain Water Company water rights to any other entity or person who is not a customer of Mountain Water Company located in the Missoula, Montana urban community?

23. Please describe in itemized detail the ways in which Carlyle's acquisition and ownership of the Park Water Company stock might affect Mountain Water Company operations of the Missoula community's public water system.

24. Is Carlyle aware of the City of Missoula's continued interest in acquiring ownership of the current Mountain water Company water system that serves the Missoula community?

25. Would Carlyle be willing and able to enter into an agreement providing the City of Missoula the right of first refusal to purchase Mountain Water Company's Missoula water system if it is ever considered or place up for sale?

26. If Carlyle were ever to sell or transfer ownership of Park Water, would Carlyle be willing to first segregate Mountain water Company from Park Water and sell Mountain Water Company to the City of Missoula prior to selling the remainder of Park Water Company to someone else?

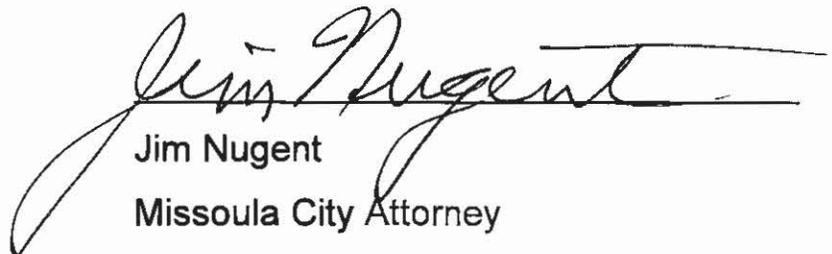
27. What is Carlyle's intent and future plan for replacing or repairing leaking Mountain Water Company water mains and basically eliminating water main leakage in the water system?

28. What is Carlyle's intended or planned goal or objective of lineal footage replacement or repair each year until the water leakage is eliminated?

29. How many years does Carlyle estimate it will take to achieve the elimination of water main leakages in the Mountain Water Company water system?

30. What does Carlyle estimate will be the future specific monetary impacts on water rates pursuant to a capital infrastructure plan intended to replace or repair the water main leakages of the Mountain Water Company water mains?

RESPECTFULLY submitted this 18th day of May, 2011.


Jim Nugent
Missoula City Attorney

CERTIFICATE OF SERVICE

I hereby certify that on the 18th day of May, 2011, I mailed a true and correct copy of the foregoing petition as follows:

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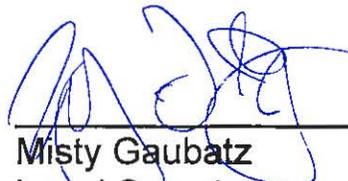
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