

**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)
Approval of Sale and Transfer of Stock in) DOCKET NO. D2011.1.8
Park Water Company)

CLARK FORK COALITION
DATA REQUESTS
TO
MOUNTAIN WATER COMPANY

CFC – 028 RE: Contract service agreement with Park Water Company (“Park”)

Please provide the contract service agreement pursuant to which Park provides administrative and general services to Mountain Water Company (“Mountain Water”) as referenced in Mountain Water’s May 12, 2011 response to the City of Missoula’s data and information request no. 4.

CFC – 029 RE: Offers to purchase Mountain Water from the City of Missoula

- a. Please explain and provide details regarding offers to purchase made by the City of Missoula (the “City”) to Park and/or Mountain Water for the City to acquire Mountain Water from Park.
- b. Please explain why Park has not accepted offers made by the City for the purchase of Mountain Water.
- c. Please explain under what circumstances would Mr. Wheeler accept an offer from the City to purchase Mountain Water?

CFC – 030 RE: Town of Superior water system

Please disclose the terms and explain the details of and reasons for Mountain Water’s decision to sell the water system of the Town of Superior, Montana.

CFC – 031 RE: Mountain Water’s water rights

- a. Please provide a detailed summary of the volume and flow rate of water Mountain Water claims pursuant to its existing water rights and how that claimed volume compares to current Mountain Water demands.
- b. Please provide a detailed explanation the status of each Mountain Water's water right claims, including whether the claimed volumes and/or flow rates have been called into question by the Montana Department of Natural Resources and Conservation ("MT DNRC") or any other entity or individual.
- c. Please provide copies of any valuations or appraisals that have been conducted with respect to Mountain Water's water rights.
- d. For the past 15 years, please provide detailed information regarding the number of water right applications prepared and filed by Mountain Water or its representatives with the MT DNRC that were subsequently either withdrawn by Mountain Water or terminated by MT DNRC and the purpose of each such application.
- e. Please explain the nature and status of Mountain Water's current litigation with the MT DNRC, including an explanation of how the resolution of the litigation either in Mountain Water's favor or in the MT DNRC's favor may impact Mountain Water consumers.

CFC – 032 RE: Mountain Water's litigation with the Montana Public Service Commission

- a. Please describe in detail the nature and status of Mountain Water's pending litigation against the MT PSC in Montana state court regarding the disclosure of executive salaries.
- b. Does Mountain Water anticipate continuing to pursue this litigation under new ownership?

CFC – 033 RE: Mountain Water rates

- a. Please disclose in detail the dollar amount Mountain Water has spent in each of the past 15 years on engineering, consultant and legal fees associated with water right applications filed with the MT DNRC on its behalf that were subsequently either withdrawn by Mountain Water or terminated by DNRC and what percentage of those costs were recovered through rates.
- b. For each of the past 15 years, please disclose how much money Mountain Water has spent on litigation expenses that have been recovered through rates.
- c. Please provide a chart or table or similar document summarizing the percentage of rate increases and associated return authorized by the MT PSC for each rate increase that went into effect over the past 15 years.
- d. For the past 15 years, please provide a chart or table or similar document summarizing the percentage and dollar amount of Mountain Water revenues that have been paid for operations, overhead and salaries for Park employees in California.

CFC – 034 RE: Mountain Water customers

Please provide any documentation, communication, and/or solicitation in the possession of Mountain Water or Park regarding the provision of water service by Mountain Water to any

commercial or industrial user, not currently served by the Mountain Water system, including bottling companies.

CFC – 035 RE: Other prospective buyers of Park and/or Mountain Water

Please disclose and explain whether and to what extent Park has received offers from potential buyers of either Park and/or Mountain Water other than Carlyle Infrastructure Partners, LP or its subsidiaries.

CFC – 036 RE: Water quality reports

- a. Please provide Mountain Water water quality reports for the past 10 years.
- b. Please disclose and explain any water quality violations of Mountain Water over the past 10 years.

CFC – 037 RE: 2010 Annual report

Please provide a copy Mountain Water's 2010 annual report that is annually filed with the MT PSC for the year ending December 31, 2010.

CFC – 038 RE: Audited financial statements

Please provide a copy of Mountain Water's and Park's most recent audited financial statements.

CFC – 039 RE: Wheeler consulting agreement

Please explain the nature and purpose of Mr. Wheeler's proposed consulting agreement and how Mountain Water rate payers will benefit from Mr. Wheeler's continued involvement in Park under new ownership.

CFC – 040 RE: Non-water system assets of Mountain Water

Please identify and provide relevant documentation regarding the non-water system assets currently owned by Mountain Water, including but not limited to real property.

CFC – 041 RE: Employment agreements

Please identify each Mountain Water employee that has been offered or who will be offered an employment agreement pursuant to the Agreement and Plan of Merger executed on December 21, 2010 by Western Water Holdings, LLC ("Western Water Holdings"), PWC Merger Sub, Inc., Park Water Company ("Park"), Henry H. Wheeler, Jr. ("Wheeler") and Park shareholders (the "Merger Agreement").

CFC – 042 RE: Mountain Water V.P. and General Manager

Arvid Hiller has indicated publicly that he intends to retire soon. Please disclose Mr. Hiller's anticipated retirement date and who will succeed him in the role of V.P. and General Manager of Mountain Water.

CFC – 043 RE: Valuation of Park and/or Mountain Water

Please provide copies of a valuation, appraisal, and any other document that was used to arrive at or agree to the purchase price offered to Park by Carlyle Infrastructure or any of its subsidiaries.

CFC – 044 RE: Mountain Water executive salaries

- a. Please disclose the current salaries for Mountain Water management staff.
- b. Please indicate how these current salaries are anticipated to change under new ownership.

CFC – 045 RE: Risk of proposed transaction on Mountain Water consumers

Please provide specific information to support each of the following statements made in the Consolidated Petition by Mountain Water Company for Declaratory Rulings and Application for Approval of Sale and Transfer of Stock in Park Water Company (the "Application"):

- a. The sale of Park has no impact on the ownership of Mountain Water.
- b. The sale of Park has no impact on Mountain Water's assets devoted to serve the public.
- c. The sale of Park has no impact on Mountain Water's operation in Montana.
- d. The sale of Park has no impact on the rates that Mountain Water is authorized to charge its Montana customers.
- e. The sale of Park has no impact on the Commission's jurisdiction over Mountain Water.

CFC – 046 RE: Continuation of adequate service

Please provide specific information to support the statement made in the Application that the sale of Park will not increase the risk that Mountain Water's customers will receive inadequate service.

CERTIFICATE OF SERVICE

I hereby certify that on this, the 19th day of May, 2011, the foregoing CLARK FORK COALITION DATA REQUESTS TO MOUNTAIN WATER COMPANY was served via U.S. mail and electronic mail on:

Arvid Hiller
Mountain Water Company
1345 W Broadway
PO Box 4826
Missoula, MT 59806-4826
(U.S. mail only)

Robert A Nelson
Mary Wright
Montana Consumer Counsel
111 North Last Chance Gulch, Suite 1B
PO Box 201703
Helena, MT 59620-1703
rnelson@mt.gov
mwright@mt.gov

John Alke
Hughes, Kellner, Sullivan & Alke
40 W. Lawrence, Suite A
P.O. Box 1166
Helena, MT 59624-1166
jalke@hksalaw.com

Bryan D. Lin
The Carlyle Group
520 Madison Avenue, 41st Floor
New York, NY 10022
bryan.lin@carlyle.com

Jim Nugent
Missoula City Attorney's Office
435 Ryman Street
Missoula, MT 59802
Nugent@ci.missoula.mt.us

Jim Larocque, CFA
The Carlyle Group
520 Madison Ave
New York, NY 10022
jim.larocque@carlyle.com

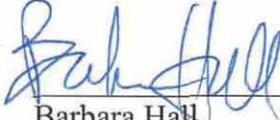
Thorvald A. Nelson
Holland & Hart LLP
6380 South Fiddlers Green Circle, Suite 500
Greenwood Village, CO 80111
tnelson@hollandhart.com

William Mercer
Holland & Hart LLP
401 North 31st Street, Suite 1500
P. O. Box 639
Billings, Montana 59103-0639
wwmerc@hollandhart.com

Electronic service only:
ramoody@hollandhart.com
jkraske@mt.gov

Kate Whitney
Public Service Commission
1701 Prospect Avenue
P. O. Box 202601
Helena, MT 59620-2601
(e-filed plus original)

By: _____


Barbara Hall