

MCC-001 RE: Testimony, p. 1, ll. 6-7

WITNESS: Dove

Please provide complete financial statements, including all footnotes, for Carlyle Infrastructure Partners, LP, for the two most recent years available.

RESPONSE: The requested information is confidential and trade secret. On May 27, 2011 Carlyle filed a Motion for Protective Order. Once the Commission has granted the proposed Protective Order Carlyle will supplement this response with the requested information.

MCC-002 RE: Testimony, p.1, ll. 7-8

WITNESS: Dove

Please provide a complete organizational chart for The Carlyle Group, including Carlyle Infrastructure Partners, LP, and all other affiliates.

RESPONSE: Please see Carlyle's response to PSC-015(a).

MCC-003 RE: Testimony, p. 4, ll. 17-18

WITNESS: Dove

Please provide copies of all communications referring to the Park Water acquisition that were supplied to investors. Please include all data, tabulations, exhibits and other documents supporting these investor communications.

RESPONSE: The only communication to date between Carlyle Infrastructure and its investors regarding the acquisition of Park Water was a statement that was released as part of a quarterly update report to investors. The statement reads as follows:

“On December 22, 2010, the Fund executed a definitive agreement with the Wheeler family to purchase 100% of Park Water Company, a regulated water distribution holding company with the three operating subsidiaries located in two states. Park Water, serving a portion of Los Angeles, CA Central Basin; Apple Valley Ranchos Water, serving Apple Valley and Victorville, CA, and Mountain Water, serving Missoula, MT. We would expect the transaction to close in the third quarter of 2011, after the receipt of regulatory approvals, and we expect to call approximately \$100 million from the Fund in order to close the transaction.”

MCC-004 RE: Testimony, p. 5, l. 9

WITNESS: Dove

Please provide the financial analysis that was done in conjunction with Carlyle's due diligence pertaining to the acquisition of Park Water including but not limited to projected financial results (e.g., income statements, balance sheets, cash flow). If these due diligence analyses are in spreadsheet form, please provide them in an operating format with all formulas and links intact.

RESPONSE: Carlyle objects to this data request on the basis of relevance to the extent the request calls for (a) the detailed projected financial results (e.g. income statements, balance sheets, cash flow, etc.) and (b) the production of the analyses in a spreadsheet format with all formulas and links intact. The analysis conducted by Carlyle regarding the earnings that may be realized by Carlyle involve two components – earnings realized from a potential future sale of Park Water and earnings realized from new investments made in Mountain Water infrastructure. Carlyle has stated that it is not seeking rate recovery of any acquisition premium. Therefore, whether or not Carlyle has correctly calculated its earnings associated with a potential future sale of the asset can have no impact on customer rates and no impact on the issues in this case. As for new investments, the rate of return on equity associated with new investments in Mountain Water from Carlyle will be at authorized levels set by the Montana Public Service Commission. Therefore, whether Carlyle has correctly guessed at future capital expenditures or future Commission authorized rates of return on equity are also irrelevant to the issues in this case. In short, while Carlyle has agreed to provide the highly confidential financial analysis it used to

decide whether or not to acquire Park Water in summary format, whether or not Carlyle's analysis is correct or not can have no impact on the actual rates paid by Montana customers (which will be set by the Commission in future rate cases) and no bearing on the issues in this case. Therefore, while Carlyle agrees to provide its financial analysis in summary format to explain why, from Carlyle's perspective it is pursuing this investment, the level of detail requested by the MCC is irrelevant and not reasonably calculated to lead to the discovery of admissible evidence.

With respect to the summary of the financial analysis, the requested information is confidential and trade secret. On May 27, 2011 Carlyle filed a Motion for Protective Order. Once the Commission has granted the proposed Protective Order Carlyle will supplement this response with the requested information.

CERTIFICATE OF SERVICE

I hereby certify that on this, the 31st day of May, 2011, the foregoing **CARLYLE INFRASTRUCTURE PARTNERS, LP'S RESPONSES TO THE FIRST SET OF DATA REQUESTS FROM THE MONTANA CONSUMER COUNSEL** was served via electronic mail and U.S. mail unless otherwise indicated to the following:

<p>Kate Whitney (<i>e-filed plus original</i>) Public Service Commission 1701 Prospect Avenue P. O. Box 202601 Helena, MT 59620-2601 kwhitney@mt.gov</p>	<p>Barbara Hall, Legal Director Clark Fork Coalition 140 S. 4th Street West, Unit 1 P.O. Box 7593 Missoula, MT 59801 (406) 542-0539 Barbara@clarkfork.org</p>
<p>Arvid Hiller Mountain Water Company 1345 W. Broadway Street P.O. Box 4826 Missoula, MT 59802-2239 (406) 721-5570 arvid@mtwater.com</p>	<p>Thorvald A. Nelson Holland & Hart LLP 6380 South Fiddlers Green Circle Suite 500 Greenwood Village, CO 80111 (303) 290-1601 tnelson@hollandhart.com</p>
<p>John Alke Hughes, Kellner, Sullivan & Alke 40 W. Lawrence, Suite A P.O. Box 1166 Helena, MT 59624-1166 jalke@hksalaw.com</p>	<p>William W. Mercer Holland & Hart LLP 401 North 31st Street, Suite 1500 P. O. Box 639 Billings, Montana 59103-0639 (406) 896-4607 wwmerc@hollandhart.com</p>
<p>Robert Nelson Montana Consumer Counsel 111 North Last Chance Gulch, Suite 1B Box 201703 Helena, MT 59620-1703 robnelson@mt.gov</p>	<p>Bryan D. Lin The Carlyle Group 520 Madison Avenue, 41st Floor New York, NY 10022 (212) 813-4992 bryan.lin@carlyle.com</p>
<p>Jim Nugent Missoula City Attorney's Office 435 Ryman Street Missoula, MT 59802 JNugent@ci.missoula.mt.us</p>	<p>Jim Larocque, CFA The Carlyle Group 520 Madison Ave New York, NY 10022 (212) 813-4749 jim.larocque@carlyle.com</p>

	For electronic service only: lnbuchanan@hollandhart.com
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s/ Leah N. Buchanan

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