

**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
SECOND SET OF DATA REQUESTS
TO
MOUNTAIN WATER COMPANY

CFC – 047 RE: Consumer protections – public vs. private ownership
 Witness: Kappes

On p 6, lines 17 – 19, of your rebuttal testimony you state that you do not agree that the City would provide better consumer protections than Mountain Water as a regulated utility subject to the jurisdiction of this Commission, and on page 7, lines 20 – 22 you state, “[t]he Commission’s regulatory control is one of the reasons private utilities make every effort to make sure their decisions are the most cost effective way of providing service to their customers.” In responding to the following questions, please reference the three attached documents: (1) Park Water Company financial information as of December 31, 2010, provided to the California Public Utilities Commission (“CPUC”) pursuant to the CPUC General Order No. 77, attached hereto as Exhibit A; (2) Mountain Water Company Response to Commission data request PSC-023 in docket no. D2010.4.41, attached hereto as Exhibit B; and (3) Mountain Water Company’s response to CFC-033(d) in this docket, attached for your reference as Exhibit C.

(a) Exhibit A lists six Park Water officers receiving between \$200,000 and \$456,000, and eighteen Park Water officers and employees receiving between \$100,000 and \$200,000 in 2010. Exhibit C indicates that 14.3% - nearly \$2.3 million - of Mountain Water’s annual revenue in 2010 went to fund overhead and salaries for Park Water employees in California. If the 2009 estimated median per capita income in Missoula County is \$23,551, how does private ownership of Mountain Water under the above-mentioned salary structure provide cost-effective service to consumers, over public municipal ownership?

(b) According to Exhibit B, Park Water's Co-CEO received \$225,314 in 2009 and according to Exhibit A, the compensation for that position increased by 102% to \$456,910. How does such a large pay increase translate into greater consumer protection and cost-effective service for Mountain Water ratepayers?

CERTIFICATE OF SERVICE

I hereby certify that on this, the 9th day of September, 2011, the foregoing CLARK FORK COALITION SECOND SET OF DATA REQUESTS TO MOUNTAIN WATER COMPANY was served via U.S. mail and electronic mail on:

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Mountain Water Company
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Missoula, MT 59806-4826
(U.S. mail only)

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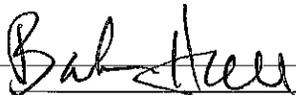
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Kate Whitney
Public Service Commission
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P. O. Box 202601
Helena, MT 59620-2601
(e-filed plus original)

By: _____


Barbara Hall

PARK WATER COMPANY
PUC GENERAL ORDER 77
AS OF DECEMBER 31, 2010

<u>Officers & Compensation During 2010</u>	<u>Salary</u>	<u>Utility</u>	<u>Non-Utility</u>
President	554,588.00	287,346.00	267,243.00
Co-Chief Executive Officer	456,910.00	456,910.00	
Executive Vice President	314,310.00	314,310.00	
Senior Vice President/General Manager	253,622.00	253,522.00	
Senior Vice President - Administration	254,594.00	254,594.00	
Senior Vice President/CFO	253,932.00	253,932.00	
Vice President - Water Quality	196,796.00	196,796.00	
Vice President - Risk Management	179,545.00	179,545.00	
Corporate Chief Engineer/Assistant Vice President	167,696.80	167,696.80	
Assistant Vice President/Division Superintendent	146,566.00	146,566.00	
Corporate Secretary	79,346.00		79,346.00
Field Operations/Safety Liaison	77,398.00		77,398.00
Assistant Secretary	18,250.00	18,250.00	
	<u>2,953,452.80</u>	<u>2,529,465.80</u>	<u>423,987.00</u>

<u>Names and titles of Employees receiving more than \$85,000 in 2010</u>	<u>Salary</u>	<u>Utility</u>	<u>Non-Utility</u>
Director of Revenue Requirements	161,528.00	161,528.00	
Director of Human Resources	152,927.40	152,927.40	
Director of Information Technology	152,722.84	152,722.84	
Director of Accounting	152,007.60	151,861.36	146.24
Division Chief Engineer	133,282.40	133,282.40	
Enterprise Application Manager	127,631.28	127,631.28	
Divisional Accountant	113,327.20	113,327.20	
Production Supervisor	113,178.80	113,178.80	
GIS Project Coordinator	111,276.20	111,276.20	
Programmer Analyst	109,993.61	109,993.61	
Manager of Financial Reporting and Applications	109,861.60	109,861.60	
Field Foreperson	104,992.54	104,992.54	
General Accounting Supervisor	104,839.20	104,839.20	
Meter Reader Foreperson	101,734.27	101,734.27	
Programmer Analyst	98,638.83	98,638.83	
Cross Connection Control Specialist	97,454.95	97,454.95	
Transportation Equipment Foreperson	95,847.28	94,876.26	971.02
Senior Network Specialist	94,895.15	94,895.15	
Engineer Technician 3	89,358.36	89,358.36	
Manager of Customer Service and Conservation	89,284.20	89,284.20	
Senior Public Affairs Specialist	88,910.80	88,910.80	
Manager of Safety Services	88,519.20	88,519.20	
Production Technician 2	88,245.06	88,245.06	
Rate Analyst 3	86,912.00	86,912.00	
Production Foreperson	86,671.49	86,671.49	
Human Resources Generalist	85,732.30	85,732.30	
Benefits Administrator	85,033.57	85,033.57	
	<u>2,924,806.13</u>	<u>2,923,688.87</u>	<u>1,117.26</u>

<u>Other Fees paid to officers or Employees</u>	<u>Fees</u>
Corporate Secretary A)	16,935.93
Field Operations/Safety Liaison A)	16,836.48
	<u>33,772.41</u>
A)	Directors' Fees

EX.
A

PARK WATER COMPANY
PUC GENERAL ORDER 77
AS OF DECEMBER 31, 2010

	Total	792	799	798	538
<u>2010 Memberships (Utility)</u>					
American Public Works Association	176.25	176.25			
American Society of Civil Engineers	505.00	505.00			
American Water Works Association	5,902.00	5,152.57	749.43		
Association of California Water Age	940.00	940.00			
Automobile Club of Southern California	235.00	235.00			
CalDesal	1,000.00		1,000.00		
California Department of Public Health	130.00	130.00			
California Urban Water Conservation	1,757.06		1,757.06		
California Water Association	31,175.32		31,175.32		
Central Basin Water Association	50.69		50.69		
Department of Consumer Affairs	790.00	790.00			
Department of Public Health	1,078.04	1,078.04			
Downey Chamber of Commerce	420.00		420.00		
Financial Executives Institute	745.00	745.00			
Foundation for Cross Connection	334.00		334.00		
National Association of Water Companies	6,430.19		5,401.36		1,028.83
Norwalk Chamber of Commerce	400.00		400.00		
Professionals in Human Resources Association	354.00	354.00			
Public Relations Society	305.00	305.00			
Southern California Minority Business Development	5,000.00		5,000.00		
Society for Human Resource Management	320.00	320.00			
Society for Protective Coatings	95.00	95.00			
Southern California Water Utilities Association	50.00	50.00			
Water Education Foundation	450.00		450.00		
Watermaster Service	20.00	20.00	0.00		
	<u>68,662.55</u>	<u>10,895.86</u>	<u>46,737.86</u>	<u>0.00</u>	<u>1,028.83</u>

PARK WATER COMPANY
PUC GENERAL ORDER 77
AS OF DECEMBER 31, 2010

	Total	792	799	798	538
2010 Contributions (Utility)					
American Water Works Association-Campaign Contribution	500.00				500.00
City of Artesia:Senior Nutrition Holiday Dinner	500.00				500.00
City of Bellflower:Holiday Food Basket Program	2,500.00				2,500.00
City of Compton: Winter Wonderland Toys Drive	1,000.00				1,000.00
City of Lynwood: Community Service Day	1,000.00				1,000.00
City of Norwalk: Social Services Food Pantry	1,000.00				1,000.00
City of Norwalk: Teen Alliance Program	1,000.00				1,000.00
Compton Sheriff Station: Compton Explorer Program	2,500.00				2,500.00
Downey Police Officer Association: Community Outreach	500.00				500.00
Lakewood Sheriff Station: Community Outreach	2,500.00				2,500.00
Norwalk Sheriff: Community Outreach	6,000.00				6,000.00
S.A.V.E. Fund-California Community Foundation	800.00				800.00
Spark of Love-California Community Foundation	10,700.00				10,700.00
The Wheeler Foundation	350,000.00				350,000.00
University of California, Berkeley	3,125.00				3,125.00
	<u>383,625.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>383,625.00</u>

2010 Attorney Fees (Utility):

Fulbright & Jaworski	68,492.12			68,492.12	
Hill, Farrer & Burnill	102,303.02			102,303.02	
Mitchell, Silberberg & Knupp, LLP	2,697.00			2,697.00	
Jeffer, Mangels, Butler & Marmaro, LLP	2,023.50			2,023.50	
Nossaman, Guthner, Knox & Elliott, LLP	535.00			535.00	
	<u>176,050.64</u>	<u>0.00</u>	<u>0.00</u>	<u>176,050.64</u>	<u>0.00</u>

2010 Subscriptions (Utility)

Benefits and Compensation Law	297.00	297.00
Cal-Osha Reporter	427.00	427.00
Compliance Poster	56.32	56.32
Engineering News Record	82.00	82.00
Flow of Funds	25.00	25.00
Go to Meeting	147.00	147.00
Go to My PC.com	84.64	84.64
Heritage Foundation	100.00	100.00
Internal Revenue Service Bulletin	247.00	247.00
Investors Business Daily	361.08	361.08
J.J. Keller Association, Inc.	845.00	845.00
John Hopkins Medical Letter	28.00	28.00
Journal of Light Construction	39.95	39.95
Los Angeles Times	556.94	556.94
Lynda.com, Inc.	457.63	457.63
Montana Employment Law Letter	377.00	377.00
New York Times	337.99	337.99
Online Training Access	305.08	305.08
PC World	29.97	29.97
Professional Assessor	5,475.43	5,475.43
Professionals in Human Resources	354.00	354.00
Science	275.00	275.00
Science News	252.65	252.65
Scientific American	34.97	34.97
SHRM Learning Systems	731.38	731.38
The Weekly Standard	50.00	50.00
Time Magazine	29.95	29.95
Value Line Investment Survey	898.00	898.00
Vitality	104.72	104.72
Wall Street Journal	855.68	855.68
Water Policy Report	487.00	487.00
	<u>14,353.38</u>	<u>14,353.38</u>

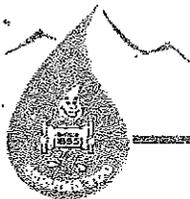
PARK WATER COMPANY
PUC GENERAL ORDER 77
AS OF DECEMBER 31, 2010

	Total	792	799	798	538
<u>2010 Subscriptions (Non-Utility)</u>					
Financial Times	749.94	749.94			
Los Angeles Times	110.96	110.96			
Newsmax Gold Stock	99.00	99.00			
Wall Street Journal	197.36	197.36			
	<u>1,157.26</u>	<u>1,157.26</u>			

<u>2010 Dues and Memberships (Non-Utility)</u>					
Automobile Club of Southern California	102.00	102.00			
	<u>102.00</u>	<u>102.00</u>			

<u>2010 Contributions (Non-Utility)</u>	<u>Total</u>				
	0.00				
	<u>0.00</u>				

<u>2010 Attorney Fees (Non-Utility):</u>					
Fulbright & Jaworski	469,726.53		469,726.53		
Hill, Farrer & Burrill	10,392.36		10,392.36		
	<u>480,118.89</u>		<u>480,118.89</u>		



MOUNTAIN WATER COMPANY

P.O. Box 4826 - 1345 W. Broadway - Missoula, MT 59806 - Phone (406) 721-5570 - Fax (406) 523-5090 - www.mtnwater.com

ARVID M. HILLER
V.P. & General Manager

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PUBLIC SERVICE
COMMISSION

December 22, 2010

Donna Turkowski
Montana Public Service Commission
1701 Prospect Avenue
Helena, Montana 59620

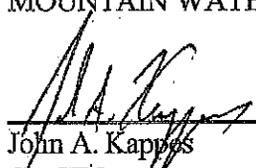
RE: Response to Public Service Commission Data Request PSC-023 From D2010.4.41

Dear Donna:

Enclosed please find the non-confidential portion of the response to PSC-023 filed in response to Protective Order 7088c.

An additional copy of this material has been provided to the Montana Consumer Counsel.

MOUNTAIN WATER COMPANY



John A. Kappas
Co-CEO

Cc: Mr. John Alke, Esquire
Hughes, Kellner, Sullivan and Alke
40 W. Lawrence Suite A
P O Box 1166
Helena, Montana 59634-1166

Mr. Robert Nelson
Montana Consumer Counsel
111 N. Last Chance Gulch
Helena, MT 59601

EX.
B

PSC-023 – For each employee of Mountain and Park Water provide total compensation. Segregate the compensation into direct wages/salaries and other specific compensation. The compensation information should be provided by job title, with the other compensation under a specific heading.

The information for all company employees was provided on a confidential basis on November 22, 2010. Pursuant to instruction of the Commission, the publicly available information on the salaries of Park Water Company employees in California is attached. The California PUC requires the public disclosure of salaries above \$85,000 by position, not named individuals, (A confidential disclosure to the California PUC is also provided which does provide the names of the individuals holding the positions.) The attached form is what is filed with the California PUC for public disclosure, including allowed redactions. The most recent publicly-available data is for calendar year 2009. The attachment also redacts all salary detail for Park Water employees who are not Corporate Division employees providing services to the operating units and divisions of Park Water, and whose salaries and benefits are not allocated to the operating units and divisions as Main Office expense.

**PARK WATER COMPANY
PUC GENERAL ORDER 77
AS OF DECEMBER 31, 2009**

Officers & Compensation During 2009

	<u>Salary</u>	<u>Utility</u>	<u>Non-Utility</u>
[REDACTED], President	741,589.00	287,346.00	454,243.00
[REDACTED], Co-Chief Executive Officer	225,314.00	225,314.00	
[REDACTED], Executive Vice President	298,913.00	298,913.00	
[REDACTED], Senior Vice President	252,346.00	252,346.00	
[REDACTED], Senior Vice President/CFO	249,951.00	249,951.00	
[REDACTED], Vice President	193,916.00	193,916.00	
[REDACTED], Vice President	183,988.00	183,988.00	
[REDACTED]			
[REDACTED]			
[REDACTED], Secretary	20,213.00	20,213.00	
	<u>2,711,110.00</u>	<u>2,108,976.00</u>	<u>604,234.00</u>

Names and Titles of Employees receiving more than \$95,000 in 2009

	<u>Salary</u>	<u>Utility</u>	<u>Non-Utility</u>
[REDACTED], Corporate Director of Engineering	167,350.00	167,350.00	
[REDACTED], Director of Revenue Requirements	157,029.00	157,029.00	
[REDACTED], Director of Accounting	150,518.00	150,518.00	
[REDACTED], Director of Information Technology	148,868.00	148,868.00	
[REDACTED], Director of Human Resources	142,865.00	142,865.00	
[REDACTED], Systems Administrator	131,735.00	131,735.00	
[REDACTED], Programmer Analyst	118,188.00	118,188.00	
[REDACTED], GIS Project Coordinator	109,701.00	109,701.00	
[REDACTED], Manager of Financial Reporting and Applications	108,940.00	108,940.00	
[REDACTED], General Accounting Supervisor	103,449.00	103,449.00	
[REDACTED]			
[REDACTED]			
[REDACTED], Programmer Analyst	98,600.00	98,600.00	
[REDACTED], Senior Network Specialist	91,923.00	91,923.00	
[REDACTED]			
[REDACTED]			
[REDACTED], Human Resources Generalist	85,514.00	85,514.00	
	<u>2,801,439.00</u>	<u>2,801,439.00</u>	

Other Fees paid to officers or Employees

	<u>Fees</u>
[REDACTED] A)	11,146.00
[REDACTED] A)	10,861.00
	<u>22,009.00</u>
A)	Directors' Fees

Year	Total Revenues	Corporate Expense	Corporate Expense As % of Total Revenues
1996	\$ 7,944,976.87	\$ 1,057,193.81	13.3%
1997	8,358,560.99	1,060,596.28	12.7%
1998	8,792,234.17	1,053,009.79	12.0%
1999	9,690,827.69	1,296,795.03	13.4%
2000	10,195,319.23	1,310,649.40	12.9%
2001	11,568,363.16	1,353,998.43	11.7%
2002	11,938,563.78	1,544,612.35	12.9%
2003	13,465,688.25	1,602,570.06	11.9%
2004	13,163,649.88	1,615,099.21	12.3%
2005	13,520,098.80	1,631,909.40	12.1%
2006	15,106,639.06	1,695,080.84	11.2%
2007	15,427,003.39	1,844,192.11	12.0%
2008	14,628,077.55	2,026,733.17	13.9%
2009	16,630,928.73	2,171,281.14	13.1%
2010	16,043,944.68	2,298,325.37	14.3%

Ex.
C