

# PUBLIC SERVICE COMMISSION STATE OF MONTANA

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Bill Gallagher, Commissioner  
Brad Molnar, Commissioner  
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## MEMORANDUM

August 5, 2011

To: Robert A. Nelson  
Montana Consumer Counsel  
111 N. Last Chance Gulch, Suite 1B  
P.O. Box 201703  
Helena, MT 59620-1703

From: Leroy Beeby, Rate Analyst  
Montana Public Service Commission

RE: PSC data requests in Docket D2011.1.8

Enclosed please find data requests of the Montana Public Service Commission to the Montana Consumer Counsel, numbered PSC-043 through PSC-047 in the above-referenced docket. If you have any questions regarding these data requests, please contact me at 444-6188 or Kate Whitney at 444-3056.

Enclosure

cc: service list

Service Date: August 5, 2011

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 )

**MONTANA PUBLIC SERVICE COMMISSION DATA REQUESTS  
PSC-043 THROUGH PSC-047 TO THE MONTANA CONSUMER COUNSEL**

PSC-043

Regarding: MCC position  
Witness: Wilson

It appears from your testimony that MCC neither supports nor opposes the proposed transaction, but recommends that, if the Commission approves the transaction, it condition approval on implementation of the ring-fencing provisions you identified. If this is an incorrect summary of MCC's position in this case, please provide clarification.

PSC-044

Regarding: MCC-004  
Witness: Wilson

The MCC is now in receipt of the work papers requested in MCC-004. Has anything shown in that analysis changed or modified your testimony in any way? Please explain.

PSC-045

Regarding: Main Replacement  
Witness: Wilson

- a. What would be a reasonable approach for Mountain Water to replace its mains that are 40 + years old that would be acceptable to the MCC?
- b. If main replacement is analyzed from a pure economic point, it makes no sense to replace a fully depreciated main with a new main until catastrophic failure. At what point does the value of reliability of service outweigh the cost of main replacement? Please explain.

- c. Do you suggest or recommend a prudency review of any main replacements over a certain dollar amount? What would that amount be, and why?
- d. Do you recommend an alternative approach to evaluation of a capital improvement project?

PSC-046

Regarding: Exhibit JW-1

Witness: Wilson

To the extent possible, should the same provisions be incorporated into the Order if the Commission decides to approve the sale and transfer? Please explain.

PSC-047

Regarding: ROFR

Witness: Wilson

How would you suggest structuring a possible ROFR for the City of Missoula to ensure any change in ownership of Mountain Water, direct or indirect, so that the City of Missoula would be afforded the opportunity to purchase Mountain Water?