

Service Date: April 30, 2012

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

IN THE MATTER OF the APPLICATION of) REGULATORY DIVISION
AQUAFLO, LLC for Authority to Increase)
Rates and Charges and Amend Tariff Rules) DOCKET NO. D2009.1.9
and Regulations for Water and Sewer Service)
to its Helena, Montana, Customers)

IN THE MATTER OF the APPLICATION of) REGULATORY DIVISION
AQUAFLO, LLC for Authority to Permanently)
Increase Rates and Charges and Amend Tariff) DOCKET NO. D2011.4.34
Rules and Regulations for Water and Sewer)
Service to its Helena, Montana, Customers)

NOTICE OF STAFF ACTION

The Montana Public Service Commission (Commission) sent data requests numbered PSC-029 through PSC-041 to the Montana Consumer Counsel (MCC) on April 17, 2012. Pursuant to the Procedural Order and a Notice of Staff Action issued in this docket, discovery responses are due May 2, 2012. Pursuant to the Procedural Order, the MCC has seven business days after receipt of discovery to object. The MCC has contacted Commission staff to request clarification and/or withdrawal of several of the discovery requests. The Commission staff agrees to withdraw PSC-037 and PSC-038(b). The Commission staff agrees to modify PSC-031, PSC-032, and PSC-041 as indicated below.

PSC-031

Regarding: ROE
Witness: Schulz

You state that the greater risk burden lies with consumers because of the existence of the excess usage fee which acts as an inclining block rate thus accelerating the cost to consumers as they reach higher levels of consumption.

- b. Based on your estimation and understanding of the AquaFlo customer usage patterns, what is the percentage risk exposure for a normal usage customer to be affected by the excess usage fee? Please provide all supporting calculations.

PSC-032

Regarding: Usage volumes
Witness: Schulz

Is it possible to estimate and quantify what percentage of the decrease in volumes from 2010 was due to the cooler temperatures and higher levels of rainfall that occurred in 2010 versus the price signal sent by having a volumetric cost? Please explain.

PSC-041

Regarding: Working Cash
Witness: Schulz

- a. Please provide references to all PSC dockets in the last 5 years where adjustments to working cash for property tax lag were recommended by the MCC in its intervenor testimony.
- b. Please provide references to all PSC dockets in the last 5 years where adjustments to working cash for MCC and PSC tax lag were recommended by the MCC in its intervenor testimony.

Notice of Staff Action done this 27th day of April 2012.