

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

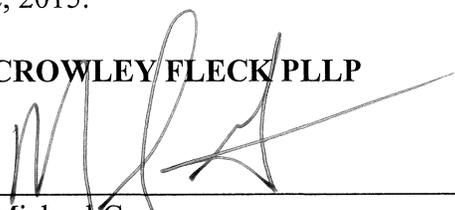
IN THE MATTER of the Joint Application) REGULATORY DIVISION
Of Liberty Utilities Co., Liberty WWH, Inc.,)
Western Water Holdings, LLC, and Mountain) DOCKET NO. D2014.12.99
Water Company for Approval of a Sale and)
Transfer of Stock)

**Liberty Utilities Co. and Liberty WWH, Inc.'s Supplemental Response to
Data Request MCC-010**

Liberty Utilities Co. ("Liberty Utilities") and Liberty WWH, Inc. ("Liberty WWH" and collectively "Liberty"), by and through its undersigned counsel, hereby submits to the Montana Public Service Commission ("Commission") this supplemental response to Data Request MCC-010.

Submitted this 10th day of June, 2015.

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**ATTORNEYS FOR LIBERTY UTILITIES CO.
AND LIBERTY WWH, INC.**

MCC-010

Regarding: Enterprise Value.
Witness: David Pasiaka

Please provide a working copy, including data, supporting spreadsheets and all formulas and links intact, of the financial model used in evaluating the acquisition of Park Water Company by Liberty Utilities Co.

Response: Liberty objects to this request because it seeks information which is not relevant to this matter and is protected from disclosure as confidential and containing proprietary trade secrets. Liberty's due diligence work papers and financial projections are not relevant because they have no impact on Mountain Water's consumers. The documents are not tied to the service consumers will receive, the operations of Mountain Water, or the rates consumers will pay. Moreover, Liberty's internal valuation will not affect Mountain Water's rates or the level of service, as stated in Liberty's application, because Liberty does not intend to seek an acquisition adjustment to the existing rate base. Regardless of these considerations, all future rate changes will be subject to the Commission's review and approval. Accordingly, this request seeks information that has no bearing on the Commission's decision in this matter, and as such seeks information that is irrelevant and not reasonably calculated to lead to the discovery of admissible information.

The requested information is also protected from disclosure because it is proprietary and contains confidential trade secrets. Liberty's due diligence efforts, including any financial analyses of potential investments, are based upon years of research and investment at a substantial cost to Liberty Utilities. The underlying financial and other analyses and overall bid strategy and methodologies that Liberty implements in responding to solicitations relating to the sale of regulated utilities are proprietary and contain confidential trade secrets. Moreover, compelling winning bidders to disclose their successful strategy will necessarily have a chilling effect on the participation in the market of future offerings of utility assets. Disclosure of such information, even under seal, would be harmful to the business interests of Liberty, because both the seller and the City of Missoula are parties who potentially could obtain these materials, and the Commission cannot provide certainty that information produced, even under protective order, would not be subject to disclosure on challenge by a party or outside interested party.

Supplemental Response: The Commission has not ruled on Liberty's objection to this request, but ruled on a similar data request issued by the PSC in Order No. 79323. In order to facilitate resumption the procedural schedule, Liberty is prepared to provide responsive documents prior to the Commission's ruling on its objections. Therefore, without waiving its objections, Liberty identifies the following documents as responsive to this request:

1. An Excel Workbook containing Liberty's confidential financial model;
2. A PowerPoint deck dated September 1, 2014 consisting of 36 total pages, presented to the APUC Board. Eight pages of that deck are a due diligence appendix which was prepared by counsel, is an attorney/client communication and is withheld on privilege grounds.

3. Project Orchard Due Diligence Report dated September 1, 2014, compiled by APUC's general counsel's office consisting of 86 pages is an attorney/client communication and is withheld on privilege grounds.
4. A PowerPoint deck dated September 15, 2015, consisting of eight pages, presented to the APUC Board.

The non-privileged portions of these documents will be produced upon the Commission's entry of a protective order granting Liberty's request for special protections and non-disclosure agreement. Liberty has made arrangements to make hard copies of the board presentation PowerPoint decks available at its counsel's offices in Montana for review by the parties' counsel and experts upon signature of the non-disclosure agreement. Liberty will make a live version of the financial model workbook available to specifically identified Commission staff and the MCC's outside expert through Webex access to the file on the Liberty system. This access will provide the approved user access to the file with the ability to analyze and modify imbedded formulas as necessary for his or her review as well as the ability to save any modifications to the original file as a new file on the Liberty system.

CERTIFICATE OF SERVICE

I hereby certify that on June 10th, 2015, the foregoing Liberty Utilities Co. and Liberty WWH, Inc.'s Supplemental Response to Data Request MCC-010bill was served via electronic and U.S. mail on:

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A handwritten signature in black ink, appearing to read 'G. Zadick', is written over a horizontal line.