

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

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

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**NOTICE OF CLOSING  
AND  
WITHDRAWAL OF JOINT APPLICATION**

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Liberty Utilities Co. (“Liberty Utilities”), Liberty WWH, Inc. (“Liberty WWH”), Western Water Holdings, LLC (“Western Water”), and Mountain Water Company (“Mountain Water”), (collectively, “Joint Applicants”), by and through their undersigned counsel, respectfully submit this notice of closing and withdrawal of the Joint Application in this proceeding.

The Joint Applicants hereby provide notice to the Montana Public Service Commission (“Commission”) that on January 8, 2016, the sale and transfer of Western Water stock to Liberty WWH closed, with Liberty WWH merging into Western Water and Western Water continuing as a wholly-owned subsidiary of Liberty Utilities.

The Joint Applicants also hereby withdraw the Joint Application filed on December 15, 2014 for Approval of a Sale and Transfer of Stock. The Joint Applicants appreciate the Commission’s and Staff’s commitment of time and resources to this proceeding, but have made a business decision not to continue moving forward with the Joint Application.

Finally, the Joint Applicants note the following:

1. This proceeding has been pending before the Commission for over a year and now at the request of the City of Missoula the District Court has now placed an indefinite stay on this proceeding pending the Court's review of various Commission decisions and the Commission's jurisdiction over the sale and transfer of Western Water. Therefore, it is wholly uncertain when or if this Commission proceeding will be allowed to move forward.

2. The Joint Application was submitted pursuant to MCA §§ 69-1-102, 69-3-102, and 69-3-103 and the Commission's historical practice of exercising jurisdiction over the sale or transfer of public utilities, public utility assets, or utility obligations. However, by filing the Joint Application, the Joint Applicants specifically did not waive, and specifically reserved, any and all arguments related to the Commission's jurisdiction with respect to the upstream change in ownership of Western Water. The Joint Applicants also specifically reserved any and all arguments related to the Commission's lack of jurisdiction over those entities as upstream owners of Mountain Water as a regulated water company in the state of Montana.<sup>1</sup>

3. Since the filing of the Joint Application, the City of Missoula has consistently and regularly contested the Commission's jurisdiction due to the City's ongoing attempts to obtain Mountain Water's assets through condemnation.<sup>2</sup>

4. As stated in the Joint Application, the transaction
- a. Has no impact on the ownership of Mountain Water and its assets;
  - b. Has no impact on Mountain Water's assets that are and will continue to be utilized in full in Missoula County and deployed to serve the public;
  - c. Has no impact on the Commission's jurisdiction over Mountain Water;

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<sup>1</sup> See Joint Application, page 6, footnote 3.

<sup>2</sup> See e.g., City's Motion to Stay, filed February 13, 2015; Notice of Issuance of Preliminary Order of Condemnation and Motion to Dismiss or, in the Alternative, to Stay the Proceedings, filed June 23, 2015; City's Reply Brief to Liberty's Reply to the City's Motion to Dismiss or Stay the PSC Proceedings, filed July 7, 2015; City's Responses/Objections to data requests.

- d. Has no impact on Mountain Water's operations in Montana;
- e. Has no impact on the rates that Mountain Water is authorized to charge Montana customers; and
- f. Will not increase the risk that Mountain Water's customers will receive inadequate service.

5. Liberty Utilities recognizes that Mountain Water remains subject to the stipulated ring-fencing provisions imposed in Order 7149d, Docket D2011.1.8, and that as long as Mountain Water remains under private ownership, the Commission maintains exclusive jurisdiction to determine the reasonable cost of capital, address changes in the cost of service, approve any change in rates, and address any concerns regarding the condition of Mountain Water's system in Missoula.

Respectfully submitted this 11th day of January, 2016.

**HOLLAND & HART LLP**

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**ATTORNEYS FOR MOUNTAIN  
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**ATTORNEYS FOR LIBERTY  
UTILITIES AND LIBERTY WWH**

**CERTIFICATE OF SERVICE**

I hereby certify that on this, the 11th day of January, 2016, **NOTICE OF CLOSING AND WITHDRAWAL OF JOINT APPLICATION** was filed with the Montana PSC and served via U.S. Mail and/or e-mail, unless otherwise noted, to the following:

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*s/ Adele C. Lee*