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DEPARTMENT OF PUBLIC SERVICE REGULATION MONT. P.S. COMMISSION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

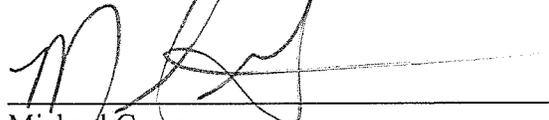
IN THE MATTER OF the Joint Application)
of Liberty Utilities Co., Liberty WWH, Inc.,) REGULATORY DIVISION
Western Water Holdings, LLC, and Mountain)
Water Company for Approval of a Sale and) DOCKET NO. D2014.12.99
Transfer of Stock)

**Liberty Utilities Co. and Liberty WWH, Inc.'s Responses to
Data Requests City-001 Through City-031.**

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") these responses to the data requests from the City of Missoula.

Submitted this 4th day of May, 2015.

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

CITY-001

Regarding: Project Orchard Confidential Information Memorandum
Witness:

In the Project Orchard Confidential Information Memorandum of June 2014, it was represented, on page 112, that the “Year End Rate Base” for Mountain Water would increase from 39.7 in 2013 to 59.6 in 2019.

- a. Did you perform any evaluation, due diligence, or analysis regarding this reported anticipated increase in the rate base?
- b. If so, please describe, in detail, the evaluation, due diligence, or analysis you performed, including but not limited to your conclusions.
- c. Please produce all documents reviewed, prepared, or relied upon in the evaluation, due diligence, or analysis referenced above.

Objection:

Liberty objects to this request to the extent it seeks information not relevant to the subject matter of the instant proceeding, information not reasonably calculated to lead to the discovery of evidence admissible in the instant proceeding, and on the grounds the reference to “you” is vague and ambiguous.

Response:

- a. Yes.
- b. Liberty reviewed the data Seller made available through the Confidential Information Memorandum (“CIM”) and electronic data room. Ultimately, Liberty accepted the Seller’s rate base forecast for purposes of its evaluation of the transaction.
- c. See the CIM (WWH000799-WWH000898) produced by WWH and Mountain Water in response to PSC-028(b).

CITY-002

Regarding: Due Diligence

Witness:

- a. Have you ever performed any evaluation, due diligence, or analysis regarding this potential or anticipated increase in rates charged to customers of Mountain Water?
- b. If so, please describe, in detail, the evaluation, due diligence, or analysis you performed, including but not limited to your conclusions.
- c. Please produce all documents reviewed, prepared, or relied upon in the evaluation, due diligence, or analysis referenced above.

Objection:

Liberty objects to this request to the extent it seeks information not relevant to the subject matter of the instant proceeding, information not reasonably calculated to lead to the discovery of evidence admissible in the instant proceeding, and on the grounds the reference to “you” is vague and ambiguous. Liberty further objects on the grounds the phrase “this potential or anticipated increase in rates charged to customers of Mountain Water” is vague and ambiguous as no potential or anticipated increase in rates is cited in the question and no reference is provided in this request.

Response:

- a. In an effort to provide responsive information, Liberty states affirmatively that it has not performed a stand- alone evaluation, due diligence or analysis of potential or anticipated increases in Mountain Water rates.
- b. N/A.
- c. N/A.

CITY-003

Regarding: Project Orchard Confidential Information Memorandum

Witness:

In the Project Orchard Confidential Information Memorandum of June 2014, it was represented, on page 97, that "Mountain Water has historically filed rate cases every two years. Following Mountain Water's next rate case filing, the utility intends to begin filing annual rate cases with the MPSC. Mountain Water had originally planned to file its next rate case by April 2014 using a 2013 test year, however given issues around the condemnation proceedings, the rate case filing timing for 2014 is under review."

- a. Did you perform any evaluation, due diligence, or analysis regarding Mountain Water's intention to begin filing a rate case every year?
- b. If so, please describe, in detail, the evaluation, due diligence, or analysis you performed, including but not limited to your conclusions.
- c. Please produce all documents reviewed, prepared, or relied upon in the evaluation, due diligence, or analysis referenced above.

Objection:

Liberty objects to this request to the extent it seeks information not relevant to the subject matter of the instant proceeding, information not reasonably calculated to lead to the discovery of evidence admissible in the instant proceeding, and on the grounds the reference to "you" is vague and ambiguous.

Response:

- a. Yes.
- b. Liberty reviewed the proposed rate filing matters information in the CIM, and accepted Mountain Water's forecasts and schedule.
- c. See the CIM (WWH000799-WWH000898) produced by WWH and Mountain Water in response to PSC-028(b).

CITY-004

Regarding: Rates

Witness:

- a. In the event the instant Joint Application for Approval of a Sale and Transfer of Stock is approved and performed, do you intend to file annual rate cases, as opposed to every two years?
- b. If so, please set forth your rationale for the approach.
- c. Please produce all documents reviewed, prepared, or relied upon in answering this data request.

Objection:

Liberty objects to this request to the extent it seeks information not relevant to the subject matter of the instant proceeding, information not reasonably calculated to lead to the discovery of evidence admissible in the instant proceeding, and on the grounds the reference to “you” is vague and ambiguous.

Response:

- a. It is impossible to predict the actual rate filing schedule Mountain Water will ultimately follow after the transaction, but Liberty generally supports the rate gradualism allowed by more frequent rate cases.
- b. Liberty is committed to improvement of its systems through capital investment while responsibly managing the rate impact of required investment. Liberty understands its customers generally prefer gradual increases and Liberty is committed to avoiding rate shock for customers. The capital investment plan for Mountain Water will require an increase in rates. Liberty is committed to managing those increases as effectively as possible. Under Montana’s current regulatory regime, the Commission has expressed a preference for full rate cases over other mechanisms for “smoothing” rate increases due to capital investment. As a result, the primary tool available to avoid rate shock for customers will be frequent rate cases. Liberty expects that Mountain Water will continue to regularly interface with the Commission, MCC and other stakeholders to discuss alternatives available to accommodate recovery of capital expenditures.
- c. N/A

CITY-005

Regarding: Rates

Witness:

- a. In the event the instant Joint Application for Approval of a Sale and Transfer of Stock is approved and performed, when do you anticipate making the first application for a rate increase, and how frequently do you anticipate that such applications will be made going forward?
- b. Please produce all documents reviewed, prepared, or relied upon in answering this data request.

Objection:

Liberty objects to this request to the extent it seeks information not relevant to the subject matter of the instant proceeding, information not reasonably calculated to lead to the discovery of evidence admissible in the instant proceeding, and on the grounds the reference to “you” is vague and ambiguous.

Response:

- a. See Response to City-004. No decisions regarding the timing of future rate cases have been made. Any decisions regarding the frequency of future rate cases will be made in consultation with Mountain Water’s local management following the completion of this proceeding.
- b. N/A.

CITY-006

Regarding: Rates

Witness:

- a. In the event the instant Joint Application for Approval of a Sale and Transfer of Stock is approved and performed, what do you anticipate as being the amount of the first rate increase you will request, and any subsequent rate increases?
- b. Please produce all documents reviewed, prepared, or relied upon in answering this data request.

Objection:

Liberty objects to this request to the extent it seeks information not relevant to the subject matter of the instant proceeding, information not reasonably calculated to lead to the discovery of evidence admissible in the instant proceeding, and on the grounds the reference to “you” is vague and ambiguous.

Response:

- a. Liberty cannot predict future rate increases at this time. Rates are based on many factors, and Liberty is not in a position to evaluate most of those factors at this time. Liberty will rely heavily on local management for recommendations regarding rates, but has not engaged in those discussions at this time.
- b. N/A

CITY-007

Regarding: Capital Improvements

Witness:

- a. In the event the instant Joint Application for Approval of a Sale and Transfer of Stock is approved and performed, please describe all capital improvements you would make in the first five years of operation.
- b. Please produce all documents reviewed, prepared, or relied upon in answering this data request.

Objection:

Liberty objects to this request to the extent it seeks information not relevant to the subject matter of the instant proceeding, information not reasonably calculated to lead to the discovery of evidence admissible in the instant proceeding, and on the grounds the reference to “you” is vague and ambiguous.

Response:

- a. Liberty intends to support and follow the planned regulated capital investment plan for Mountain Water. Future capital investment plans will be developed locally and Liberty is willing to support the capital investment needs as determined by local management, including additional capital investment if warranted and needed, as well as meeting the criteria for inclusion in rates by the Commission. Further, the capital budgeting process for each Liberty utility is developed by local management for that utility. With respect to Mountain Water, Liberty will support the existing capital investment plans developed by Mountain Water’s local management team, as well as additional capital investment plans if warranted and necessary.
- b. See financial forecasts provided by Seller attached as Attachments CITY-007 (LIB-A, B).

Response No. CITY-007
Attachment CITY-007 (LIB A)

Mountain Water Company Capital Expenditures 2014

YTD as of June

| Description | Budget | Expended | Committed | Expended & Committed | Remaining Budget | Remaining Planned | Year End Projected | Notes |
|--|--------------------|------------------|--------------------|----------------------|--------------------|--------------------|--------------------|--|
| COMPANY FUNDED TOTALS | \$4,000,000 | \$662,810 | \$1,915,947 | \$2,578,757 | \$1,421,243 | \$1,421,243 | \$4,000,000 | Includes Preliminary Survey |
| T&D | \$2,387,500 | \$496,134 | \$1,431,052 | \$1,927,186 | \$613,814 | \$613,814 | \$2,541,000 | |
| TDHN - New Hydrants | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| TDHR - Hydrant Replacement | \$101,237 | \$16,665 | \$0 | \$16,665 | \$84,572 | \$84,572 | \$101,237 | Estimated 10 hydrants at \$10k/each |
| TDMN - New Main | \$190,000 | \$34,620 | \$0 | \$34,620 | \$140,380 | \$140,380 | \$175,000 | |
| Upsize new mains | \$50,000 | \$928 | \$0 | \$928 | \$49,072 | \$49,072 | \$50,000 | |
| Taps on existing mains | \$50,000 | \$22,945 | \$0 | \$22,945 | \$27,055 | \$27,055 | \$50,000 | |
| Taps on advances | \$75,000 | \$10,747 | \$0 | \$10,747 | \$64,253 | \$64,253 | \$75,000 | |
| Blowoffs - new | \$15,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| TDMR - Main Replacement | \$1,579,631 | \$344,716 | \$1,402,739 | \$1,747,455 | \$8,493 | \$8,493 | \$1,755,948 | |
| Valve replacements | \$50,000 | \$19,602 | \$0 | \$19,602 | \$0 | \$0 | \$19,602 | |
| Blowoff replacements | \$50,000 | \$75,438 | \$0 | \$75,438 | \$6,300 | \$6,300 | \$81,738 | |
| Service saddle replacements | \$50,000 | \$17,070 | \$0 | \$17,070 | \$2,192 | \$2,192 | \$19,262 | |
| Main replacements | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| Repl 20" main on Hillview | \$950,000 | \$20,785 | \$812,215 | \$833,000 | \$0 | \$0 | \$833,000 | Contracts signed |
| Repl 5 5th W main - Higgins/Orange | \$254,631 | \$28,076 | \$456,841 | \$484,917 | \$0 | \$0 | \$484,917 | In construction |
| Repl Grant St - Burlington-Kensington | \$225,000 | \$128,028 | \$124,540 | \$252,568 | \$0 | \$0 | \$252,568 | Construction complete |
| Dore Ln-Valves & SL reloc | \$0 | \$36,857 | \$9,143 | \$46,000 | \$0 | \$0 | \$46,000 | Construction complete |
| Abandon 12Kal Helen/Beckwith-Keith | \$0 | \$18,861 | \$0 | \$18,861 | \$0 | \$0 | \$18,861 | Construction complete |
| TDOT - Main Miscellaneous | \$50,000 | \$1,172 | \$0 | \$1,172 | \$48,828 | \$48,828 | \$50,000 | |
| Surge analysis - infrastructure imprvmts | \$50,000 | \$1,172 | \$0 | \$1,172 | \$48,828 | \$48,828 | \$50,000 | |
| TDPR - Pressure Regulating Stations | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| TDST - Structures | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| TDMT - Meters | \$451,632 | \$89,520 | \$28,313 | \$117,832 | \$325,983 | \$325,983 | \$443,815 | |
| Meters | \$441,632 | \$89,520 | \$28,313 | \$117,832 | \$315,983 | \$315,983 | \$433,815 | |
| Meter reading equip | \$10,000 | \$0 | \$0 | \$0 | \$10,000 | \$10,000 | \$10,000 | |
| WTOT - Water Treatment Equip | \$15,000 | \$9,442 | \$0 | \$9,442 | \$5,558 | \$5,558 | \$15,000 | |
| Chlorine pump replacements | \$5,000 | \$475 | \$0 | \$475 | \$4,525 | \$4,525 | \$5,000 | |
| Chlorine monitors | \$10,000 | \$8,967 | \$0 | \$8,967 | \$1,033 | \$1,033 | \$10,000 | |
| Source of Supply - Production | \$783,000 | \$66,276 | \$378,555 | \$444,831 | \$396,669 | \$396,669 | \$841,500 | |
| SSOT - Pumping Misc | \$32,000 | \$0 | \$0 | \$0 | \$32,000 | \$32,000 | \$32,000 | |
| Water rights - CR | \$2,000 | \$0 | \$0 | \$0 | \$2,000 | \$2,000 | \$2,000 | |
| Water rights - Change App | \$25,000 | \$0 | \$0 | \$0 | \$25,000 | \$25,000 | \$25,000 | |
| Generator containments | \$5,000 | \$0 | \$0 | \$0 | \$5,000 | \$5,000 | \$5,000 | |
| SSPE - Pumping Equip | \$280,000 | \$18,861 | \$161,216 | \$180,077 | \$130,207 | \$130,207 | \$310,284 | |
| Motor starters | \$30,000 | \$1,369 | \$0 | \$1,369 | \$11,631 | \$11,631 | \$13,000 | |
| Mag flow meters | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| Pumps and motors | \$50,000 | \$0 | \$0 | \$0 | \$5,712 | \$5,712 | \$5,712 | Projects selected; working on power company incentives |
| Bank St Well #30 (31140058) | | \$2,678 | \$86,610 | \$89,288 | (\$45,000) | (\$45,000) | \$44,288 | Northwest Energy incentive \$45K - Total project estimate \$89288 - Cost to MWC with incentive \$44288 |
| Lincoln Hills Booster #7c (31140059) | | \$1,339 | \$8,945 | \$10,285 | (\$1) | (\$1) | \$10,284 | Pump on order |
| Grank Creek Booster #24a (31140065) | | \$893 | \$0 | \$893 | \$9,107 | \$9,107 | \$10,000 | Awaiting power company incentive |
| Gharrett Booster #9a (31140066) | | \$893 | \$0 | \$893 | \$9,107 | \$9,107 | \$10,000 | Awaiting power company incentive |
| Surge anticipator flow indicators | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| Repl Pump/Motor at Momont W17 | \$50,000 | \$1,339 | \$65,661 | \$67,000 | (\$0) | (\$0) | \$67,000 | Pump on order |

Mountain Water Company Capital Expenditures 2014

YTD as of June

| Description | Budget | Expended | Committed | Expended & Committed | Remaining Budget | Remaining Planned | Year End Projected | Notes |
|---------------------------------------|------------------|------------------|------------------|----------------------|------------------|-------------------|--------------------|--|
| Well - South Ave upsize | \$150,000 | \$10,350 | \$0 | \$10,350 | \$139,650 | \$139,650 | \$150,000 | Awaiting DEQ approval |
| SSST - Structures | \$471,000 | \$47,415 | \$217,339 | \$264,753 | \$234,463 | \$234,463 | \$499,216 | |
| Auto transfer switch/generators | \$150,000 | \$3,649 | \$101,900 | \$105,549 | \$14,167 | \$14,167 | \$119,716 | Schilling generator ordered |
| Pumphouse improvements | \$0 | \$0 | \$58,500 | \$58,500 | \$0 | \$0 | \$58,500 | Pumphouse piping insulation starting next week |
| Upgrade service entrances | \$10,000 | \$1,359 | \$0 | \$1,359 | \$8,641 | \$8,641 | \$10,000 | |
| Well casing vents | \$20,000 | \$0 | \$0 | \$0 | \$20,000 | \$20,000 | \$20,000 | |
| Continued security measures & cameras | \$60,000 | \$3,741 | \$48,814 | \$52,554 | \$7,446 | \$7,446 | \$60,000 | Security improv at Gerald Well committed |
| Hillview reservoir | \$15,000 | \$16,398 | \$0 | \$16,398 | \$0 | \$0 | \$16,398 | Remainder of landscaping work from 2013 |
| Upper Lincoln Hills tank | \$35,000 | \$0 | \$0 | \$0 | \$33,602 | \$33,602 | \$33,602 | Working on easement from City parks |
| Repl Intermountain Well House | \$100,000 | \$315 | \$0 | \$315 | \$99,685 | \$99,685 | \$100,000 | Working on contracts with architect |
| Well Shaft Guarding | \$10,000 | \$0 | \$0 | \$0 | \$10,000 | \$10,000 | \$10,000 | |
| Install Irrigation at South Reservoir | \$21,000 | \$20,875 | \$625 | \$21,500 | \$0 | \$0 | \$21,500 | Complete |
| Wilderness Lakes | \$50,000 | \$1,078 | \$7,500 | \$8,578 | \$40,922 | \$40,922 | \$49,500 | |
| General Plant | \$829,500 | \$100,400 | \$106,341 | \$206,740 | \$410,760 | \$410,760 | \$617,500 | |
| GPCM - Communication Equip | \$335,000 | \$46,026 | \$104,973 | \$151,000 | \$184,000 | \$184,000 | \$335,000 | |
| Telemetry Expansion | \$315,000 | \$46,026 | \$104,973 | \$151,000 | \$164,000 | \$164,000 | \$315,000 | SCADA pressure monitoring completed; \$144K scada expansion approved; \$76K ihistorian project approval underway |
| Ethernet radios | \$20,000 | \$0 | \$0 | \$0 | \$20,000 | \$20,000 | \$20,000 | |
| GPFE - Furniture & Equip | \$10,000 | \$1,365 | \$0 | \$1,365 | \$8,233 | \$8,233 | \$9,598 | |
| Misc office furniture/equipment | \$10,000 | \$1,365 | \$0 | \$1,365 | \$8,233 | \$8,233 | \$9,598 | |
| GPLE - Laboratory Equip | \$500 | \$902 | \$0 | \$902 | \$0 | \$0 | \$902 | |
| GPCE - Computer Equip | \$123,000 | \$9,990 | \$1,288 | \$11,278 | \$111,722 | \$111,722 | \$123,000 | |
| Computer systems | \$20,000 | \$9,184 | \$1,288 | \$10,472 | \$9,528 | \$9,528 | \$20,000 | |
| Printers | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| Safety training materials | \$1,500 | \$0 | \$0 | \$0 | \$1,500 | \$1,500 | \$1,500 | |
| Software - new & upgrade | \$20,000 | \$0 | \$0 | \$0 | \$20,000 | \$20,000 | \$20,000 | |
| Field mobile computing - Operations | \$17,500 | \$0 | \$0 | \$0 | \$17,500 | \$17,500 | \$17,500 | |
| Website | \$20,000 | \$0 | \$0 | \$0 | \$20,000 | \$20,000 | \$20,000 | |
| SCADA computers/upgrades | \$5,000 | \$0 | \$0 | \$0 | \$5,000 | \$5,000 | \$5,000 | |
| Corporate driven SW/HW upgrades | \$24,000 | \$0 | \$0 | \$0 | \$24,000 | \$24,000 | \$24,000 | |
| Hardware - network | \$15,000 | \$806 | \$0 | \$806 | \$14,194 | \$14,194 | \$15,000 | |
| GPST - Structures | \$316,455 | \$0 | \$0 | \$0 | \$97,955 | \$97,955 | \$97,955 | |
| Fill Stations | \$41,455 | \$0 | \$0 | \$0 | \$41,455 | \$41,455 | \$41,455 | |
| Construct vehicle parking structure | \$225,000 | \$0 | \$0 | \$0 | \$6,500 | \$6,500 | \$6,500 | Budget substituted for additional main replacements and pumphouse improvements |
| Building cooling system | \$50,000 | \$0 | \$0 | \$0 | \$50,000 | \$50,000 | \$50,000 | Project approval underway |
| GPTL - Tools & Equip | \$26,000 | \$20,338 | \$0 | \$20,338 | \$5,662 | \$5,662 | \$26,000 | |
| Tools - Operations | \$21,000 | \$20,338 | \$0 | \$20,338 | \$662 | \$662 | \$21,000 | |
| Safety tools and equipment | \$5,000 | \$0 | \$0 | \$0 | \$5,000 | \$5,000 | \$5,000 | |
| GPTR - Transportation Equip | \$18,545 | \$21,779 | \$79 | \$21,857 | \$3,188 | \$3,188 | \$25,045 | |
| Repl utility service vehicles | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| Purch trailer | \$18,545 | \$21,779 | \$79 | \$21,857 | \$3,188 | \$3,188 | \$25,045 | Complete |
| Cost of Removal | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| Remove 30" wood main | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | |
| Preliminary Survey | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | These are currently included in the CF above |

Mountain Water Company Capital Expenditures 2014

YTD as of June

| Description | Budget | Expended | Committed | Expended & Committed | Remaining Budget | Remaining Planned | Year End Projected | Notes |
|--------------------------------|--------------------|------------------|------------------|----------------------|--------------------|--------------------|--------------------|--|
| FUNDED BY OTHERS TOTALS | \$1,000,000 | \$347,787 | \$431,590 | \$779,378 | \$1,010,657 | \$1,010,657 | \$1,790,035 | |
| Advances | \$750,000 | \$106,312 | \$206,349 | \$312,661 | \$1,042,557 | \$1,042,557 | \$1,355,218 | |
| Contributions | \$250,000 | \$0 | \$225,241 | \$225,241 | \$209,576 | \$209,576 | \$434,817 | |
| Multi-Funded | \$0 | \$241,476 | \$0 | \$241,476 | (\$241,476) | (\$241,476) | \$0 | These jobs are a combination of Advance and Contribution and show on the Capital Budget Analysis under Multi-Funded. |

Mountain Water Company Capital Budget Summary - 2015

Preliminary

| Description | 2015 Budget | 2016 Budget | 2017 Budget | 2018 Budget | 2019 Budget | 5 Year Total Budget |
|---------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| COMPANY FUNDED TOTALS | \$4,500,000 | \$5,000,000 | \$5,500,000 | \$7,000,000 | \$7,490,625 | \$29,490,625 |
| T&D | \$3,268,000 | \$3,546,500 | \$4,033,500 | \$5,661,500 | \$6,325,125 | \$22,834,625 |
| TDTK - T&D Reservoirs | \$700,000 | \$250,000 | \$320,000 | \$1,000,000 | \$3,000,000 | \$5,270,000 |
| TDMN -Main Extensions | \$162,500 | \$365,125 | \$215,125 | \$302,625 | \$215,125 | \$1,260,500 |
| TDMR - Main Replacements | \$1,564,082 | \$1,965,699 | \$2,616,835 | \$3,440,328 | \$2,250,000 | \$11,836,944 |
| TDVR - Replacement Valves | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| TDVN - New Valves | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| TDHR - Replacement Hydrants | \$105,287 | \$105,287 | \$105,287 | \$106,000 | \$100,000 | \$521,861 |
| TDHN - New Hydrants | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| TDSR - Replacement Services | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| TDSN - New Services | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| TDAV - Air and Vacuum Stations | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| TDPR - Pressure Regulating Facilities | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| TDMS - T&D MISC Appurtenances | \$50,000 | \$150,000 | \$50,000 | \$50,000 | \$0 | \$300,000 |
| TDMT - Meters | \$686,131 | \$710,389 | \$726,253 | \$762,547 | \$760,000 | \$3,645,320 |
| TDLD - T&D Land | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Source of Supply - Production | \$981,500 | \$1,105,000 | \$1,175,000 | \$1,050,000 | \$910,000 | \$5,221,500 |
| PDPE - Pumping Equipment | \$220,000 | \$235,000 | \$85,000 | \$120,000 | \$180,000 | \$840,000 |
| PDSS - Site & Structure Improvements | \$345,000 | \$345,000 | \$345,000 | \$445,000 | \$345,000 | \$1,825,000 |
| PDWT - Water Treatment | \$15,000 | \$15,000 | \$15,000 | \$115,000 | \$15,000 | \$175,000 |
| PDSC - SCADA & Security | \$366,500 | \$370,000 | \$370,000 | \$370,000 | \$370,000 | \$1,846,500 |
| PDMS - Production MISC | \$35,000 | \$140,000 | \$360,000 | \$0 | \$0 | \$535,000 |
| PDL - Production Land | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| General Plant | \$240,500 | \$338,500 | \$281,500 | \$288,500 | \$255,500 | \$1,404,500 |
| GPCM - Communication Equipment | \$0 | \$0 | \$50,000 | \$0 | \$0 | \$50,000 |
| GPCE - Computer Equip & Software | \$123,000 | \$112,000 | \$125,000 | \$182,000 | \$149,000 | \$691,000 |
| GPSS - Site & Structure Improvements | \$46,000 | \$120,000 | \$0 | \$0 | \$0 | \$166,000 |
| GPFE - Furniture and Equipment | \$10,000 | \$10,000 | \$10,000 | \$10,000 | \$10,000 | \$50,000 |
| GPSE - Security Equipment | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| GPSE - Safety Equipment | \$5,000 | \$5,000 | \$5,000 | \$5,000 | \$5,000 | \$25,000 |
| GPTE - Tools and Equipment | \$21,500 | \$21,500 | \$21,500 | \$21,500 | \$21,500 | \$107,500 |
| GPTP - Transportation | \$35,000 | \$70,000 | \$70,000 | \$70,000 | \$70,000 | \$315,000 |
| GPLD - General Plant Land | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Cost of Removal | \$10,000 | \$10,000 | \$10,000 | \$0 | \$0 | \$30,000 |
| Preliminary Survey | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| FUNDED BY OTHERS TOTALS | \$2,600,000 | \$3,000,000 | \$3,000,000 | \$3,000,000 | \$3,000,000 | \$14,600,000 |
| Advances | \$2,200,000 | \$2,500,000 | \$2,500,000 | \$2,500,000 | \$2,500,000 | \$12,200,000 |
| Contributions | \$400,000 | \$500,000 | \$500,000 | \$500,000 | \$500,000 | \$2,400,000 |

Mountain Water Company Capital Budget Details - 2015

Preliminary

| Project Number | Description | 2015 Budget | 2016 Budget | 2017 Budget | 2018 Budget | 2019 Budget | 5 Year Total Budget | Quantity | Comments |
|----------------|--|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|-------------|-----------------------------|
| | COMPANY FUNDED TOTALS | \$4,500,000 | \$5,000,000 | \$5,500,000 | \$7,000,000 | \$7,490,625 | \$33,435,945 | | Includes Preliminary Survey |
| | T&D | \$3,268,000 | \$3,546,500 | \$4,033,500 | \$5,661,500 | \$6,325,125 | \$26,779,945 | | |
| | TDTK - T&D Reservoirs | \$700,000 | \$250,000 | \$320,000 | \$1,000,000 | \$3,000,000 | \$5,270,000 | | |
| | Tank - Lower Lincoln Hills | | \$250,000 | | | | \$250,000 | | |
| | Tank - Upper Lincoln Hills | \$700,000 | | | | | \$700,000 | | |
| | Crestline Tanks | | | \$200,000 | | | \$200,000 | | |
| | Hillview Tank | | | \$100,000 | | | \$100,000 | | |
| | Install Irrigation at North Reservoir | | | \$20,000 | | | \$20,000 | | |
| | Replace Irrigation at South Reservoir | | | | | | \$0 | | |
| | Reservoir - 3MG Missoula West | | | | \$1,000,000 | \$3,000,000 | \$4,000,000 | | |
| | TDMN -Main Extensions | \$162,500 | \$365,125 | \$215,125 | \$302,625 | \$215,125 | \$1,260,500 | 0.00 | |
| | Taps for Advances | \$75,000 | \$75,000 | \$75,000 | \$75,000 | \$75,000 | \$375,000 | | |
| | Taps on existing mains | \$52,500 | \$55,125 | \$55,125 | \$55,125 | \$55,125 | \$273,000 | | |
| | Upsize New Mains | \$0 | \$50,000 | \$50,000 | \$50,000 | \$50,000 | \$200,000 | | |
| | Connect 24" to 14" at Broadway/Reserve | | | | \$87,500 | | \$87,500 | | |
| | Tie main - Twite/Maloney | | \$150,000 | | | | \$150,000 | | |
| | BO - New | \$35,000 | \$35,000 | \$35,000 | \$35,000 | \$35,000 | \$175,000 | | |
| | TDMR - Main Replacements | \$1,564,082 | \$1,965,699 | \$2,616,835 | \$3,440,328 | \$2,250,000 | \$11,836,944 | 5.04 | Quantity in Miles |
| | Broadway - Pattee to Madison | \$651,950 | | | | | \$651,950 | 0.29 | |
| | 3rd St - Darlene to 10" east, past Davis | \$120,250 | | | | | \$120,250 | 0.07 | |
| | Pine - Higgins to Adams (flop services) | \$180,000 | | | | | \$180,000 | | |
| | Spruce - Jefferson to Madison (flop services) | \$97,500 | | | | | \$97,500 | | |
| | Howell - Bulwer to Burton | \$137,100 | | | | | \$137,100 | 0.08 | |
| | Kennett Ave - N 5th to N 6th | \$87,618 | | | | | \$87,618 | 0.06 | |
| | Misc / Emergency | \$100,000 | | | | | \$100,000 | | |
| | Design for future projects | \$39,664 | | | | | \$39,664 | | |
| | Front - Madison to Jackson, etc. Monroe - Front to Broadway, etc. | | \$778,300 | | | | \$778,300 | 0.24 | |
| | Pine - Adams to Madison | | \$333,750 | | | | \$333,750 | 0.14 | |
| | Pine - McCormick, two blocks west & McCormick - Pine to Spruce | | \$349,500 | | | | \$349,500 | 0.17 | |
| | Jefferson - Spruce to Pine | | \$97,500 | | | | \$97,500 | 0.06 | |
| | Misc / Emergency | | \$100,000 | | | | \$100,000 | | |
| | Design for future projects | | \$156,649 | | | | \$156,649 | | |
| | 5th St - Russell to Orange | | | \$1,234,200 | | | \$1,234,200 | 0.71 | |
| | S 4th St W - Higgins to Orange | | | \$420,000 | | | \$420,000 | 0.27 | |
| | Spruce - Higgins to Adams | | | \$542,000 | | | \$542,000 | 0.23 | |
| | Misc / Emergency | | | \$100,000 | | | \$100,000 | | |
| | Design for future projects | | | \$170,635 | | | \$170,635 | | |
| | Cherry St & Poplar St - between Van Buren and Harrison (11 services) | | | | \$219,000 | | \$219,000 | | |
| | Spruce - Nora to May | | | | \$226,795 | | \$226,795 | 0.13 | |
| | Howell - Worden to Milton | | | | \$295,500 | | \$295,500 | 0.19 | |
| | 1st W - Hickory to Walnut | | | | \$117,915 | | \$117,915 | 0.07 | |
| | Pine - Woody to Owen | | | | \$223,500 | | \$223,500 | 0.14 | |
| | Philips - Worden to Holmes | | | | \$217,800 | | \$217,800 | 0.14 | |
| | Burns St - Cooper alley to Sherwood alley & Sherwood alley | | | | \$204,900 | | \$204,900 | 0.13 | |
| | S 5th St W - Russell to Grant | | | | \$576,000 | | \$576,000 | 0.36 | |
| | Dickens - Stoddard to Defoe | | | | \$108,516 | | \$108,516 | 0.07 | |
| | Cooper - Shakespeare to Dickens (flop services) | | | | \$405,000 | | \$405,000 | | |
| | Grand Ave - N 2nd to N 4th | | | | \$162,900 | | \$162,900 | 0.10 | |
| | Woodworth - Mansfield to Madeline | | | | \$102,000 | | \$102,000 | 0.06 | |
| | Toole - Milton to Holmes | | | | \$130,266 | | \$130,266 | 0.08 | |
| | Cottonwood - 3rd to 2nd | | | | \$133,261 | | \$133,261 | 0.07 | |

Mountain Water Company Capital Budget Details - 2015

Preliminary

| Project Number | Description | 2015 Budget | 2016 Budget | 2017 Budget | 2018 Budget | 2019 Budget | 5 Year Total Budget | Quantity | Comments |
|----------------|--|------------------|--------------------|--------------------|--------------------|------------------|---------------------|----------|-------------------------------------|
| | Misc / Emergency | | | | \$100,000 | | \$100,000 | | |
| | Design for future projects | | | | \$66,975 | | \$66,975 | | |
| | Shakespeare - Philips to Sherwood | | | | | \$366,000 | \$366,000 | 0.23 | |
| | Ford - Hill alley to Mount to Higgins | | | | | \$270,000 | \$270,000 | 0.17 | |
| | Philips - Shakespeare to Hawthorne | | | | | \$208,039 | \$208,039 | 0.13 | |
| | Palmer - Dickens to Scott | | | | | \$43,500 | \$43,500 | 0.03 | |
| | Harve - Garfield to Grant | | | | | \$96,000 | \$96,000 | 0.06 | |
| | Pine - Higgins to Ryman (flop services) | | | | | \$35,000 | \$35,000 | | |
| | Railroad - Orange to McCormick & Alder - McCormick to Owen (flop services) | | | | | \$279,900 | \$279,900 | 0.18 | |
| | Kensington - Grant to W of Grant | | | | | \$77,100 | \$77,100 | 0.05 | |
| | Beckwith - Ronald to Higgins | | | | | \$374,700 | \$374,700 | 0.20 | |
| | Ash St - 3rd to Oak | | | | | \$201,000 | \$201,000 | 0.13 | |
| | Misc / emergency | | | | | \$100,000 | \$100,000 | | |
| | Design for future projects | | | | | \$48,761 | \$48,761 | | |
| | Repl BO | \$50,000 | \$50,000 | \$50,000 | \$50,000 | \$50,000 | \$250,000 | | |
| | Repl Valves | \$50,000 | \$50,000 | \$50,000 | \$50,000 | \$50,000 | \$250,000 | | |
| | Repl Service Saddles | \$50,000 | \$50,000 | \$50,000 | \$50,000 | \$50,000 | \$250,000 | | |
| | | | | | | | | | |
| | TDVR - Replacement Valves | | | | | | \$0 | | |
| | TDVN - New Valves | | | | | | \$0 | | |
| | TDHR - Replacement Hydrants | \$105,287 | \$105,287 | \$105,287 | \$106,000 | \$100,000 | \$521,861 | | |
| | TDHN - New Hydrants | | | | | | \$0 | | |
| | TDSR - Replacement Services | | | | | | \$0 | | Ave. or 200 per year planned |
| | TDSN - New Services | | | | | | \$0 | | |
| | TDAV - Air and Vacuum Stations | | | | | | \$0 | | |
| | TDPR - Pressure Regulating Facilities | | | | | | \$0 | | |
| | TDMS - T&D MISC | \$50,000 | \$150,000 | \$50,000 | \$50,000 | \$0 | \$300,000 | | |
| | System Monitoring/Inspection Equipment | \$0 | \$100,000 | \$0 | \$0 | | \$100,000 | | |
| | Surge analysis - Infrastructure improvements | \$50,000 | \$50,000 | \$50,000 | \$50,000 | | \$200,000 | | |
| | TDMT - Meters | \$686,131 | \$710,389 | \$726,253 | \$762,547 | \$760,000 | \$3,645,320 | | |
| | Meter Reading Equipment | \$10,000 | \$10,000 | \$10,000 | \$10,000 | \$10,000 | \$50,000 | | |
| | Meters | \$676,131 | \$700,389 | \$716,253 | \$752,547 | \$750,000 | \$3,595,320 | | |
| | TDLD - T&D Land | | | | | | \$0 | | |
| | | | | | | | | | |
| | Source of Supply - Production | \$981,500 | \$1,105,000 | \$1,175,000 | \$1,050,000 | \$910,000 | \$5,221,500 | | |
| | PDPE - Pumping Equipment | \$220,000 | \$235,000 | \$85,000 | \$120,000 | \$180,000 | \$840,000 | | |
| | Mag flow meters | \$15,000 | | \$15,000 | \$15,000 | \$30,000 | \$75,000 | | |
| | Motor starters | \$0 | \$30,000 | \$15,000 | \$15,000 | | \$60,000 | | |
| | Surge anticipator flow indicator | \$5,000 | \$5,000 | \$5,000 | \$5,000 | | \$20,000 | | |
| | Well - Palmer Street | \$150,000 | | | | | \$150,000 | | |
| | Well - South Avenue upsize | | | | | | \$0 | | |
| | Well - 24th Street pump | | \$150,000 | | | | \$150,000 | | |
| | Premium efficiency motors | \$50,000 | \$50,000 | \$50,000 | \$50,000 | \$150,000 | \$350,000 | | |
| | Repl Pump/Motor @ Momont | | | | | | \$0 | | |
| | Well - Dickens | | | | \$35,000 | | \$35,000 | | |
| | | | | | | | | | |
| | PDSS - Site & Structure Improvements | \$345,000 | \$345,000 | \$345,000 | \$445,000 | \$345,000 | \$1,825,000 | | |
| | Generator containments | \$5,000 | \$5,000 | \$5,000 | \$5,000 | \$5,000 | \$25,000 | | List all specific projects |
| | Auto Transfer Switch/Generators | \$150,000 | \$150,000 | \$150,000 | \$150,000 | \$150,000 | \$750,000 | | |
| | Lakes - cribs/outlets/etc | \$50,000 | \$50,000 | \$50,000 | \$50,000 | \$50,000 | \$250,000 | | |
| | Pumphouse improvements | \$50,000 | \$50,000 | \$50,000 | \$50,000 | \$50,000 | \$250,000 | | |
| | Security-1 res/tank site w/lights,cameras,hatch reinforce | \$60,000 | \$60,000 | \$60,000 | \$60,000 | \$60,000 | \$300,000 | | |

Mountain Water Company Capital Budget Details - 2015

Preliminary

| Project Number | Description | 2015 Budget | 2016 Budget | 2017 Budget | 2018 Budget | 2019 Budget | 5 Year Total Budget | Quantity | Comments |
|----------------|---|------------------|------------------|------------------|------------------|------------------|---------------------|----------|----------------------------|
| | Upgrade Service entrances | \$10,000 | \$10,000 | \$10,000 | \$10,000 | \$10,000 | \$50,000 | | |
| | Well Casing vents | \$20,000 | \$20,000 | \$20,000 | \$20,000 | \$20,000 | \$100,000 | | |
| | Intake Dam | | | | \$100,000 | | \$100,000 | | |
| | Repl Intermountain Well House | | | | | | \$0 | | |
| | Well Shaft Guarding | | | | | | \$0 | | |
| | PDWT - Water Treatment | \$15,000 | \$15,000 | \$15,000 | \$115,000 | \$15,000 | \$175,000 | | |
| | Chlorine monitors | \$10,000 | \$10,000 | \$10,000 | \$10,000 | \$10,000 | \$50,000 | | List all specific projects |
| | Chlorine pump replacement | \$5,000 | \$5,000 | \$5,000 | \$5,000 | \$5,000 | \$25,000 | | |
| | Rattlesnake Treatment Project | | | | \$100,000 | | \$100,000 | | |
| | PDSC - SCADA & Security | \$366,500 | \$370,000 | \$370,000 | \$370,000 | \$370,000 | \$1,846,500 | | |
| | Ethernet Radios | \$20,000 | \$20,000 | \$20,000 | \$20,000 | \$20,000 | \$100,000 | | List all specific projects |
| | Telemetry Expansion | \$346,500 | \$350,000 | \$350,000 | \$350,000 | \$350,000 | \$1,746,500 | | |
| | PDMS - Production MISC | \$35,000 | \$140,000 | \$360,000 | \$0 | \$0 | \$535,000 | | |
| | Water Rights - FWP Adjudication | | \$100,000 | | | | \$100,000 | | |
| | Water Rights - Well upsize or new well | | | \$360,000 | | | \$360,000 | | |
| | Water Rights - CR | | | | | | \$0 | | |
| | Water Rights - Change App | \$35,000 | \$40,000 | | | | \$75,000 | | |
| | PDLD - Production Land | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | | |
| | | | | | | | \$0 | | |
| | General Plant | \$240,500 | \$338,500 | \$281,500 | \$288,500 | \$255,500 | \$1,404,500 | | |
| | GPCM - Communication Equipment | \$0 | \$0 | \$50,000 | \$0 | \$0 | \$50,000 | | |
| | Upgrade Phone System | | | \$50,000 | | | \$50,000 | | |
| | GPCE - Computer Equip & Software | \$123,000 | \$112,000 | \$125,000 | \$182,000 | \$149,000 | \$691,000 | | |
| | Computer Systems | \$20,000 | \$25,000 | \$25,000 | \$25,000 | \$25,000 | \$120,000 | | |
| | Safety training materials | \$1,500 | \$1,500 | \$1,500 | \$1,500 | \$1,500 | \$7,500 | | |
| | Software - new & upgrade | \$20,000 | \$20,000 | \$20,000 | \$20,000 | \$20,000 | \$100,000 | | |
| | Field Mobile Computing - Operations Departments | \$17,500 | \$17,500 | \$17,500 | \$17,500 | \$17,500 | \$87,500 | | |
| | SCADA computers/upgrades | \$25,000 | \$6,000 | \$6,000 | \$30,000 | \$30,000 | \$97,000 | | |
| | Corporate Driven SW/HW upgrades (\$500/PC) | \$24,000 | \$25,000 | \$25,000 | \$25,000 | \$25,000 | \$124,000 | | |
| | Hardware - Network | \$15,000 | \$17,000 | \$30,000 | \$30,000 | \$30,000 | \$122,000 | | |
| | Upgrade Remit Software | | | | \$33,000 | | \$33,000 | | |
| | GPSS - Site & Structure Improvements | \$46,000 | \$120,000 | \$0 | \$0 | \$0 | \$166,000 | | |
| | Fill Stations | | | | | | \$0 | | |
| | Construct vehicle parking structure | | | | | | \$0 | | |
| | Repl parking lot | | \$120,000 | | | | \$120,000 | | |
| | Office improvements (server rm const/conf rm) | \$46,000 | | | | | \$46,000 | | |
| | GPFE - Furniture and Equipment | \$10,000 | \$10,000 | \$10,000 | \$10,000 | \$10,000 | \$50,000 | | |
| | Misc. Office Furniture/Equipment | \$10,000 | \$10,000 | \$10,000 | \$10,000 | \$10,000 | \$50,000 | | |
| | GPSE - Security Equipment | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | | |
| | GPSF - Safety Equipment | \$5,000 | \$5,000 | \$5,000 | \$5,000 | \$5,000 | \$25,000 | | |
| | Safety tools & equipment | \$5,000 | \$5,000 | \$5,000 | \$5,000 | \$5,000 | \$25,000 | | |
| | GPTE - Tools and Equipment | \$21,500 | \$21,500 | \$21,500 | \$21,500 | \$21,500 | \$107,500 | | |

Mountain Water Company Capital Budget Details - 2015

Preliminary

| Project Number | Description | 2015 Budget | 2016 Budget | 2017 Budget | 2018 Budget | 2019 Budget | 5 Year Total Budget | Quantity | Comments |
|----------------|--|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|----------|----------|
| | Miscellaneous Laboratory Testing Equipment | \$500 | \$500 | \$500 | \$500 | \$500 | \$2,500 | | |
| | Tools - Operations | \$21,000 | \$21,000 | \$21,000 | \$21,000 | \$21,000 | \$105,000 | | |
| | GPTP - Transportation | \$35,000 | \$70,000 | \$70,000 | \$70,000 | \$70,000 | \$315,000 | | |
| | Repl utility service vehicles | \$35,000 | \$70,000 | \$70,000 | \$70,000 | \$70,000 | \$315,000 | | |
| | GPLD - General Plant Land | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | | |
| | Cost of Removal | \$10,000 | \$10,000 | \$10,000 | \$0 | \$0 | \$30,000 | | |
| | CO - Remove 30" wood main | \$10,000 | \$10,000 | \$10,000 | | | \$30,000 | | |
| | | | | | | | \$0 | | |
| | Preliminary Survey | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | | |
| | Misc. Studies in Support of Capital Needs | | | | | | \$0 | | |
| | FUNDED BY OTHERS TOTALS | \$2,600,000 | \$3,000,000 | \$3,000,000 | \$3,000,000 | \$3,000,000 | \$14,600,000 | | |
| | Advances | \$2,200,000 | \$2,500,000 | \$2,500,000 | \$2,500,000 | \$2,500,000 | \$12,200,000 | | |
| | MISC Advances | \$2,200,000 | \$2,500,000 | \$2,500,000 | \$2,500,000 | \$2,500,000 | \$12,200,000 | | |
| | Contributions | \$400,000 | \$500,000 | \$500,000 | \$500,000 | \$500,000 | \$2,400,000 | | |
| | MISC Contributions | \$400,000 | \$500,000 | \$500,000 | \$500,000 | \$500,000 | \$2,400,000 | | |
| | | | | | | | | | |

Response No. CITY-007

Attachment CITY-007 (LIB B)

Date: June 23, 2014

Subject: Park Water Company & Subsidiaries - Forecasted Capital Expenditures

| (\$ In 000's) | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | Total |
|-------------------------------------|--------|--------|--------|--------|--------|--------|---------|
| Apple Valley | | | | | | | |
| T&D | 5,824 | 9,012 | 9,261 | 12,200 | 13,200 | 14,124 | 63,621 |
| Production | 1,041 | 2,097 | 2,011 | 1,250 | 1,800 | 1,926 | 10,125 |
| General Plant | 789 | 2,356 | 2,942 | 1,050 | 1,000 | 1,070 | 9,207 |
| Total Company-Funded | 7,654 | 13,465 | 14,214 | 14,500 | 16,000 | 17,120 | 82,953 |
| Advances | 700 | 1,100 | 1,500 | 1,800 | 2,100 | 2,200 | 9,400 |
| Contributions | 100 | 100 | 200 | 200 | 200 | 200 | 1,000 |
| Total Funded By Others | 800 | 1,200 | 1,700 | 2,000 | 2,300 | 2,400 | 10,400 |
| Total Capex | 8,454 | 14,665 | 15,914 | 16,500 | 18,300 | 19,520 | 93,353 |
| Park | | | | | | | |
| <u>Park Central Basin</u> | | | | | | | |
| T&D | 3,920 | 7,525 | 8,170 | 10,700 | 10,900 | 11,663 | 52,878 |
| Production | 8,925 | 2,775 | 2,710 | 3,000 | 3,600 | 3,852 | 24,862 |
| General Plant | 355 | 1,700 | 2,120 | 300 | 500 | 535 | 5,510 |
| Total Company-Funded | 13,200 | 12,000 | 13,000 | 14,000 | 15,000 | 16,050 | 83,250 |
| Advances | 50 | 100 | 100 | 100 | 100 | 100 | 550 |
| Contributions | 30 | 50 | 50 | 50 | 50 | 50 | 280 |
| Total Funded By Others | 80 | 150 | 150 | 150 | 150 | 150 | 830 |
| Total Capex | 13,280 | 12,150 | 13,150 | 14,150 | 15,150 | 16,200 | 84,080 |
| <u>Park Corporate</u> | | | | | | | |
| Total Company-Funded | 1,735 | 364 | 368 | 378 | 550 | 589 | 3,984 |
| Mountain Water | | | | | | | |
| T&D | 2,468 | 2,568 | 3,297 | 3,225 | 4,000 | 4,280 | 19,838 |
| Production | 783 | 1,325 | 990 | 1,525 | 2,000 | 2,140 | 8,763 |
| General Plant | 749 | 607 | 713 | 750 | 1,000 | 1,070 | 4,889 |
| Total Company-Funded | 4,000 | 4,500 | 5,000 | 5,500 | 7,000 | 7,490 | 33,490 |
| Advances | 1,400 | 2,200 | 2,500 | 2,500 | 2,500 | 2,500 | 13,600 |
| Contributions | 400 | 400 | 500 | 500 | 500 | 500 | 2,800 |
| Total Funded By Others | 1,800 | 2,600 | 3,000 | 3,000 | 3,000 | 3,000 | 16,400 |
| Total Capex | 5,800 | 7,100 | 8,000 | 8,500 | 10,000 | 10,490 | 49,890 |
| Park & Subs Consolidated | | | | | | | |
| T&D | 12,212 | 19,105 | 20,728 | 26,125 | 28,100 | 30,067 | 136,337 |
| Production | 10,749 | 6,197 | 5,711 | 5,775 | 7,400 | 7,918 | 43,750 |
| General Plant | 3,628 | 5,027 | 6,143 | 2,478 | 3,050 | 3,264 | 23,590 |
| Total Company-Funded | 26,589 | 30,329 | 32,582 | 34,378 | 38,550 | 41,249 | 203,677 |
| Advances | 2,150 | 3,400 | 4,100 | 4,400 | 4,700 | 4,800 | 23,550 |
| Contributions | 530 | 550 | 750 | 750 | 750 | 750 | 4,080 |
| Total Funded By Others | 2,680 | 3,950 | 4,850 | 5,150 | 5,450 | 5,550 | 27,630 |
| Total Capex | 29,269 | 34,279 | 37,432 | 39,528 | 44,000 | 46,799 | 231,307 |

CITY-008

Regarding: Capital Improvements

Witness:

- a. In the event the instant Joint Application for Approval of a Sale and Transfer of Stock is approved and performed, please provide an itemized calculation of the cost of all capital improvements you would make in the first five years of operation.
- b. Please produce all documents reviewed, prepared, or relied upon in answering this data request.

Objection:

Liberty objects to this request to the extent it seeks information not relevant to the subject matter of the instant proceeding, information not reasonably calculated to lead to the discovery of evidence admissible in the instant proceeding, and on the grounds the reference to “you” is vague and ambiguous.

Response:

- a. At this time, Liberty cannot to provide an itemized calculation of the first five years of capital improvements. A summary table of the five-year capital plan was provided in response to City-007. Mountain Water has estimated expenditures for its capital budget, which provide the best current estimate of projected future project costs. Liberty cannot provide any more specific information about actual projects or costs until much closer to the actual mobilization on a project. As indicated previously, Liberty expects to adhere to Mountain Water’s current capital plan to determine capital investments needed in the Mountain Water system. However, over a five year period, Liberty expects to maintain flexibility to adopt changes in priority and levels of investment to accommodate changes in the needs of the system and customers.
- b. N/A.

CITY-009

Regarding: Capital Improvements

Witness:

- a. In the event the instant Joint Application for Approval of a Sale and Transfer of Stock is approved and performed, please state how all capital improvements you would make in the first five years of operation would be paid for.
- b. Please produce all documents reviewed, prepared, or relied upon in answering this data request.

Objection:

Liberty objects to this request on the grounds the reference to “you” is vague and ambiguous.

Response:

- a. At this time, Liberty cannot identify how particular capital improvements will be financed over the next five years. Liberty strives to maintain its capital structure as close as possible to the structure approved by the relevant regulatory commission. The Commission approved rates based on a capital structure of 43.88% debt and 56.12% equity in Mountain Water’s last rate case.
- b. PSC Order 7251c, Docket D2012.7.81.

CITY-010

Regarding: Project Orchard Confidential Information Memorandum
Witness:

In the Project Orchard Confidential Information Memorandum of June 2014, it was represented, on page 74, that "[a]s the only large investor-owned water utility in Montana, Mountain Water is well-positioned to acquire small water utilities around Missoula and other parts of the state."

- a. Did you perform any evaluation, due diligence, or analysis regarding Mountain Water's ability to acquire small water utilities?
- b. If so, please describe, in detail, the evaluation, due diligence, or analysis you performed, including your conclusions.
- c. Please produce all documents reviewed, prepared, or relied upon in answering this data request.

Objection:

Liberty objects to this request to the extent it seeks information not relevant to the subject matter of the instant proceeding and information not reasonably calculated to lead to the discovery of evidence admissible in the instant proceeding.

Response:

- a. Liberty reviewed the information provided by Seller regarding acquisition opportunities, but did not conduct an independent review of individual acquisition opportunities or Mountain Water's position relative to acquisitions. As previously described, this acquisition is attractive to Liberty, in part, because it creates a "toehold" in Montana from which Liberty expects to consider opportunities to expand its operations and to acquire additional regulated water, gas and electric utilities in the state.
- b. Liberty accepted the CIM representation regarding Mountain Water's positioning as true, but did not separately value the potential for future acquisitions.
- c. See the CIM (WWH000799-WWH000898) produced by WWH and Mountain Water in response to PSC-028(b).

CITY-011

Regarding: Project Orchard Confidential Information Memorandum
Witness:

In the Project Orchard Confidential Information Memorandum of June 2014, it was represented, on page 74, that "[w]ater loss due to leakage remains high with non-revenue water production accounting for over 40% of total water production."

- a. Did you perform any evaluation, due diligence, or analysis regarding leakage at Mountain Water, including necessary capital expenditures and maintenance to address the problem?
- b. If so, please describe, in detail, the evaluation, due diligence, or analysis you performed, including your conclusions.
- c. Please produce all documents reviewed, prepared, or relied upon in answering this data request.

Objection:

Liberty objects to this request to the extent it seeks information not relevant to the subject matter of the instant proceeding, information not reasonably calculated to lead to the discovery of evidence admissible in the instant proceeding, and on the grounds the reference to "you" is vague and ambiguous.

Response:

- a. Yes.
- b. Liberty reviewed Mountain Water's water loss information, and reviewed documentation regarding the water loss mitigation plan Mountain Water presented to the Commission. Liberty believes Mountain Water has attempted to strike an appropriate balance between operational costs related to leaks and the increased rates that will result from increased capital investment required for leak mitigation. Given the portion of leakage on customer service lines as well as the hydrology of the area, Mountain Water seems to have devoted appropriate resources to leak mitigation. If the acquisition is approved, Liberty anticipates engaging with local managers, as well as the Commission, MCC and other stakeholders to further consider the appropriate balance between leak mitigation and cost.
- c. See documents produced by WWH and Mountain Water in response to this request, including Financial Analysis and Proposed Action Plan for Water Loss Mitigation; Mountain Water Company: System Report in Support of the Distribution System Improvement Charge August 2013; AWWA Water Audit Summary 2011-2013.

CITY-012

Regarding: Project Orchard Confidential Information Memorandum
Witness:

In the Project Orchard Confidential Information Memorandum of June 2014, page 107, Figure 83 provides a "Company-Funded Segment Capital Investment Forecast." This forecast demonstrates that capital investment was or is anticipated to be significantly higher at Park Central Basin and Apple Valley than it is at Mountain Water. In the case of Park Central Basin, for instance, capital investment for each of the seven years identified was or is anticipated to be more than double the amount of capital investment at Mountain Water.

- a. Did you perform any evaluation, due diligence, or analysis regarding the reasons capital investment was or is anticipated to be so much less at Mountain Water?
- b. If so, please describe, in detail, the evaluation, due diligence, or analysis you performed, including your conclusions.
- c. Please produce all documents reviewed, prepared, or relied upon in answering this data request.

Objection:

Liberty objects to this request to the extent it seeks information not relevant to the subject matter of the instant proceeding, information not reasonably calculated to lead to the discovery of evidence admissible in the instant proceeding, and on the grounds the reference to "you" is vague and ambiguous. Information regarding Park Central Basin and Apple Valley is irrelevant to determining if the proposed sale and transfer of Park Water stock satisfies the no-harm-to-consumers standard relative to Mountain Water's customers.

Response:

- a. Yes.
- b. The capital needs of water utilities can vary greatly from system to system. Liberty reviewed Seller's capital investment plan and determined the plan of Mountain Water appeared reasonable based on the information available at the time. As indicated previously, Liberty considers Mountain Water's plan as a baseline, and after closing, Liberty will engage with local managers to determine whether additional investment may be required or prudent. Liberty views the Mountain Water capital plan as independent from the two California utilities.
- c. See the data room index produced by WWH and Mountain Water in response to to PSC-029(a) as WWH000973-WWH001027.

CITY-013

Regarding: Project Orchard Confidential Information Memorandum

Witness:

In the Project Orchard Confidential Information Memorandum of June 2014, on page 112, Figure 91 provides a "Park Water Regulated Summary" that includes forecasted authorized rates of return for the years 2014 through 2019. All of these forecasted numbers exceed the current authorized rate of return of 9.25%.

- a. Did you perform any evaluation, due diligence, or analysis regarding the forecasted authorized rates of return?
- b. If so, please describe, in detail, the evaluation, due diligence, or analysis you performed, including your conclusions, and also state the bases upon which the authorized rates of return were calculated to exceed 9.25%.
- c. Please produce all documents reviewed, prepared, or relied upon in answering this data request.

Objection:

Liberty objects to this request to the extent it seeks information not relevant to the subject matter of the instant proceeding, information not reasonably calculated to lead to the discovery of evidence admissible in the instant proceeding, and on the grounds the reference to "you" is vague and ambiguous. Mountain Water and Western Water further object to this request on the grounds it misstates the referenced information contained in the Confidential Information Memorandum.

Response:

- a. No. Liberty assumed Mountain Water's authorized rates of return would remain flat.
- b. N/A
- c. N/A

CITY-014

Regarding: Park Water Services

Witness:

In the deposition of David Pasioka on June 20, 2015, Mr. Pasioka testified that if the acquisition goes through, Liberty Utilities Canada will eventually provide the services Park Water corporate currently provides to Mountain Water.

(Transcript of Deposition of David Pasioka, 79:24-84:23.)

- a. If the acquisition goes through, what allocation would Mountain Water be required to pay for the services provided by Liberty Utilities Canada?
- b. Please provide all documents reviewed, prepared, or relied upon in answering this data request.
- c. Does Liberty Utilities Canada intend to dissolve Park Water, or will Park Water otherwise cease to exist if and after the acquisition goes through?

Response:

- a. At this time, Liberty cannot calculate such allocation because the allocation among the various Liberty Utilities varies from year to year based on costs and the needs of all utilities sharing the allocated services. For purposes of this docket, however, the costs borne by Mountain Water will not be affected because its rates will not be adjusted as part of this acquisition. Liberty's cost allocation methodology is based on NARUC recommendations, and has been reviewed by several utility commissions. The allocation methodology is described in some detail in the response to PSC-035. The Cost Allocation Manual was provided as Attachment PSC-004 (LIB-D)
- b. N/A.
- c. No. Liberty does not have any intent at this time to dissolve Park Water as a corporate entity.

CITY-015

Regarding: Payment of Salaries

Witness:

- a. Please provide the current salary information for all individuals you employ who would be paid, in whole or in part, from the allocation of any proceeds from Mountain Water.
- b. Please produce all documents reviewed, prepared, or relied upon in answering this data request.

Objection:

Liberty objects to this request to the extent it seeks information not relevant to the subject matter of the instant proceeding, information not reasonably calculated to lead to the discovery of evidence admissible in the instant proceeding. Liberty also objects to this request as vague and ambiguous because in the context the term “allocation of any proceeds from Mountain Water” is unclear.

To the extent this request seeks information regarding individual salary information about Liberty employees who may provide centralized services to Mountain Water after the acquisition, Liberty objects as seeking information which is protected by individual rights of privacy, is not relevant to the current docket, and will not lead to the discovery of relevant information.

Response:

- a. To the extent this request seeks a description of employees who will receive proceeds from the transaction at issue in this docket, Liberty states no employee or Liberty or any affiliated entity, will be allocated any portion of the proceeds of the sale at issue in this case. In an effort to provide responsive information, Liberty states that its corporate and centralized services staff consists of approximately four officers in APUC, and 131 employees in Liberty Utilities (Canada) Co. The salary and benefit information for APUC’s executive officers are publicly available at: <http://investors.algonquinpower.com/Cache/1001187215.PDF?Y=&O=PDF&D=&fid=1001187215&T=&iid=4142273>. The salaries of all the other employees are confidential and not subject to disclosure in any jurisdiction.
- b. N/A.

CITY-016

Regarding: Revenue

Witness:

- a. In the event the acquisition goes through, are you predicting growth in revenues?
- b. If so, please state how much growth you are predicting each year for the next five years.
- c. Please state the source(s) and basis for your growth projections.
- d. Please produce all documents reviewed, prepared, or relied upon in answering this data request.

Objection:

Liberty objects to this request to the extent it seeks information not relevant to the subject matter of the instant proceeding, information not reasonably calculated to lead to the discovery of evidence admissible in the instant proceeding, and on the grounds the reference to “you” is vague and ambiguous.

Response to CITY-016:

- a. Yes.
- b. From Liberty’s perspective, all revenue from the new utilities will be considered growth. From Mountain Water’s perspective, Liberty accepted Sellers’ projected revenue growth as shown in Figure 88 at page 109 of the CIM contains the Seller’s revenue projections. This shows that MWC’s revenues are projected to grow from \$18.6M in 2013 to \$22M in 2019, or 18% over this six year period.
- c. See answer to (b) above.
- d. See answer to (b) above.

CITY-017

Regarding: Capital Improvements

Witness:

- a. In the event the acquisition goes through, will the revenue derived from Mountain Water's ratepayers continue to be allocated, in part, to capital improvements in other communities?
- b. If so, please state how much revenue derived from Mountain Water's ratepayers will be allocated to pay for capital improvements in other communities, annually, over the next five years?
- c. Please produce all documents reviewed, prepared, or relied upon in answering this data request.

Objection:

Liberty objects to this request to the extent it seeks information not relevant to the subject matter of the instant proceeding and information not reasonably calculated to lead to the discovery of evidence admissible in the instant proceeding.

Response:

- a. No.
- b. N/A.
- c. N/A.

CITY-018

Regarding: Investor Presentations
Witness: Robert Dove

In response to PSC-002(c), you indicate that "no such presentations occurred for the directors of Western Water." In that regard, please:

- a. Identify all Carlyle Infrastructure Partners, LP ("Carlyle"), Western Water Holdings, LLC ("WWH"), Park Water, and/ or Mountain Water personnel who attended the presentation for WWH.
- b. Identify all personnel who participated in any way in either preparing the presentation or providing materials used in the presentation.
- c. Identify whether or not such presentation, either in draft or in final form, is in the care, custody, and/ or control of Carlyle, WWH, Park Water, and/ or Mountain Water.
- d. Please also identify all documentation, whether in electronic or paper format, that was provided to the Board of Directors of WWH in order to prepare the presentation.

Response:

- a. See Response of WWH and Mountain Water.
- b. See Response of WWH and Mountain Water.
- c. See Response of WWH and Mountain Water.
- d. See Response of WWH and Mountain Water.

CITY-019

Regarding: Investor Presentations
Witness: Robert Dove

Please produce a copy of the presentation given by the Directors of WWH. If your response is such that the presentation is no longer in the possession of WWH, please identify the following:

- a. When the presentation was last in the possession of WWH.
- b. Who presently has control of either a copy or an original of the presentation.

Response:

- a. See Response of WWH and Mountain Water.
- b. See Response of WWH and Mountain Water.

CITY-020

Regarding: Valuation
Witness: David Pasieka

In response to PSC-002's request that you provide "all work papers that support the valuation of the offer presented to WWH, including spreadsheets with formula intact," Liberty Utilities indicated that a "separate valuation from Mountain Water" was not made as it was based on an "enterprise value for Park Water, Apple Valley and Mountain Water."

- a. Since a "separate value" was not determined, please produce a copy of all documents, whether electronic or paper, which were provided to Liberty Utilities in order to calculate the purchase price of \$327 million dollars for all three companies.

Objection:

To the extent this request seeks information Liberty developed during its due diligence, 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.

Response:

- a. As previously indicated, the purchase price was ultimately determined through a bid process. The documents Seller provided Liberty in the context of the bid process

were identified by WWH and Mountain Water in response to PSC-029(a) as WWH000973-WWH001027.

CITY-021

Regarding: Financing
Witness: David Pasieka

In reference to your testimony at pages 22 and 23:

- a. At page 23, lines 13 to 15, you state “the notion of a return on investment above rate base is a non-issue and will not impact water rates for customers of Mountain Water.” Why do you believe that a rate of return on rate base above Liberty Utilities’ actual cost of capital is a non-issue and will not impact water rates for customers of Mountain Water?
- b. At page 22, lines 8-9 and lines 14-15, you state: “Liberty Utilities does not expect to recover the acquisition premium it is paying for Park Water through rates... and, because we are not seeking an acquisition adjustment, the notion of recovering an acquisition premium does not apply.” Does this mean that Liberty Utilities will not attempt to recover a premium by charging rates that reflect a rate of return that exceeds Liberty Utilities’ actual cost of capital? If not, please provide a full explanation.

Objection:

Liberty objects to this request as vague and ambiguous, and misstating Mr. Pasieka’s testimony. It mixes references to rate base and rates of return in a way that renders the question meaningless, and impossible to answer. It conflates the concepts of rate base addressed in Mr. Pasieka’s testimony with rates of return in a way that is not supported by the testimony or the applicable legal standards.

Response:

- a. Liberty states affirmatively that the Joint Applicants have not sought any rate adjustment in this docket. As a result, neither rate of return nor rate base are at issue in this docket. Mr. Pasieka’s testimony addresses Liberty’s willingness to forego a request for an acquisition adjustment to rate base, which eliminates any potential rate base impact from this acquisition. Mr. Pasieka did not address the Commission’s approval of allowable rates of returns.
- b. In an attempt to respond to this request without reference to Mr. Pasieka’s testimony, Liberty does not intend to seek an “acquisition premium” adjustment to its requested rate base or rates of return in future rate cases. Further, Liberty is not aware of any such request in the past. Liberty notes, however, rates of returns are generally highly contested matters in nearly any rate case, and Liberty intends to present and fully defend reasonable rates of return in future rate cases. Liberty intends to present expert testimony supporting a reasonable rate of return in compliance with the Commission’s applicable standards that rates of return.

CITY-022

Regarding: Park Water
Witness: David Pasieka

- a. Does Liberty Utilities intend to close now, or in the foreseeable future, Park Water?
- b. If so, how and when would it close Park Water?
- c. What would happen to the Park Water employees?

Objection:

Liberty objects to this request as vague and ambiguous because the term “close” is not defined and its meaning is not clear from the context of the request.

Response:

- a. In attempt to provide responsive information, Liberty states that Park Water currently consists of the operations of the water system serving Park Central Basin and the central and corporate services for the three utility systems owned by WWH. Liberty expects Park Water’s Park Central Basin operations to continue with some integration into Liberty’s existing California utility structure. As indicated previously, the central and corporate services currently provided by Park Water employees will be migrated to Liberty or to local offices.
- b. See response to a.
- c. Liberty anticipates retaining all the current local or operational employees of Park Water’s Central Basin operations, as well as Apple Valley Ranchos and Mountain Water.

CITY-023

Regarding: Park Water
Witness: David Pasieka

It has been represented that Liberty Utilities is proposing to replace the services provided by Park Water with their own administrative services:

- a. Will this be considered an operational savings for Mountain Water? If so, how much of a savings?
- b. Are there any other areas of operational savings that have been identified with regard to Mountain Water?

Response:

- a. Yes, Liberty Utilities is proposing to replace the services provided by Park Water with its own administrative services out of its corporate entities in Oakville. Certain corporate services currently provided by Park may also shift to the local utilities, consistent with Liberty's local approach to providing local, customer-focused services to its customers. One example may be the inclusion of a rate person in the Mountain Water utility, rather than at the corporate level.

Liberty has affirmed that this transaction will not affect the rates of customers at all three water utilities within the Park group of companies. Liberty has committed to make no adjustment to the rate bases of any of the utilities to reflect the acquisition price paid by the Company. Further, as noted above, Liberty acknowledges that some organization adjustments will be made after the transaction but this is not expected to affect the rates paid by customers. These organizational changes are being assessed and will be determined in coming months. It is expected that some services currently provided by the Park corporate staff will migrate to corporate staff in Oakville, or move to the local utility. This shift in tasks is not expected to result in any operating cost savings for any of the three utilities or their customers due to the proposed transaction. However, over time, Liberty will strive to find operational efficiencies at all of its utilities, and at the corporate level.

- b. Please see the response to a.

CITY-024

Regarding: Rates
Witness: David Pasioka

Have specific rate increase percentages on an annual or less frequent basis been determined for water rate increase applications? If so, please specify in detail.

Response:

No.

CITY-025

Regarding: Profits
Witness: David Pasioka

What monetary amount of annual profit is anticipated to be achieved through Liberty Utilities' ownership structure?

Objection:

This request is vague and ambiguous, and cannot be answered. It does not identify which entity's profit is requested or a time frame. Further, Liberty does not achieve profit through its ownership structure, so even if such specifics were provided Liberty could not answer.

CITY-026

Regarding: Dividends

Witness: David Pasieka

What monetary amount of annual dividends does Liberty Utilities intend to have as an annual goal throughout its ownership?

Response:

Liberty Utilities does not have a dividend goal.

CITY-027

Regarding: Bottling

Witness: David Pasioka

Are there any plans or have there been discussions of a bottling operation or any other operation for the sale of water from any of the Mountain Water Company water rights?

Response:

No. Liberty does not have any intent or plans for Mountain Water to bottle water.

CITY-028

Regarding: Future Ownership Capital Improvements
Witness: David Pasioka

Specifically, what are Liberty Utilities' plans to address the capital improvement need in the first five (5) years of ownership, including, but not limited to:

- a. Aged and leaking water mains?
- b. Aged water pumps?
- c. The Rattlesnake intake dam and Rattlesnake creek?
- d. Wilderness dams located in the Rattlesnake Wilderness?
- e. Any other capital improvement necessary to improve the aged Water System?

Response:

- a. Liberty intends to support and follow the regulated capital investment plan for Mountain Water. Liberty understands Mountain Water is attaching a copy of its capital budget in response to PSC-030. As noted above, the projected capital investment plan prepared by Seller for Mountain Water was \$34 million for 2014 through 2019. As noted above, Liberty will follow Mountain Water's capital investment plans and Liberty will provide additional capital if warranted and needed. At this time, Liberty has not had an opportunity to determine whether additional projects will be needed. In keeping with Liberty's local management focus, Liberty expects the sequencing and implementation of the capital investment plan to be managed by Mountain Water.
- b. See response to a.
- c. See response to a.
- d. See response to a.
- e. See response to a.

CITY-029

Regarding: Capital Structure
Witness: David Pasieka

- a. Describe the capital structure in terms of the percentage of debt and equity you intend to maintain for the Mountain Water business going forward.
- b. Describe the optimal capital structure for the Mountain Water business.

Objection:

This request is vague and ambiguous as the term “optimal” is not defined, and does not have a clear meaning in the context of the request.

Response:

- a. Liberty strives to maintain its capital structure as close as possible to the structure approved by the relevant regulatory commission. The Commission approved rates based on a capital structure of 43.88% debt and 56.12% equity in Mountain Water’s last rate case.
- b. See objection.

CITY-030

Regarding: Investors Presentations
Witness: Robert Dove [sic]

In response to PSC-001, Liberty indicates, “APUC owns 100% of the issued and outstanding common shares of Liberty Utilities (Canada) Corp., a Canada corporation, which owns all of the issued and outstanding common shares of Liberty Utilities (America) Ventures, Inc., a Delaware corporation, which owns all of the issued and outstanding common shared of Liberty Utilities (America) Co., a Delaware corporation, which owns all of the issued and outstanding common shares of Liberty Utilities (America) Holdco Inc., a Delaware corporation, which owns all of the issued and outstanding shares of Liberty Utilities Co., a Delaware corporation, which owns the utility subsidiaries” and in response to PSC-005(1), Liberty provides, “[t]he members of the board of directors for Liberty Utilities Co., are Ian Robertson, Richard Leehr and Greg Sorensen.”

- a. Please identify each of the corporate board(s) referenced above on which Robertson, Leehr and Sorensen serve.
- b. Please identify which corporation reviewed and authorized the purchase of WWH.

Response:

- a. Mr. Robertson, Mr. Leehr and Mr. Sorensen serve on the Boards of Directors of Liberty Utilities Co., Liberty Utilities (America) Corp., and Liberty Utilities (America) Holdco Inc. Mr. Robertson serves on the Board of Directors of Liberty Utilities (Canada) Corp. Currently, Liberty Utilities (Canada) Corp., a Canada corporation, owns all of the issued and outstanding common shares of Liberty Utilities (America) Co., a Delaware corporation, which owns all of the issued and outstanding common shares of Liberty Utilities (America) Holdco Inc., a Delaware corporation, which owns all of the issued and outstanding shares of Liberty Utilities Co., a Delaware corporation, which owns the utility subsidiaries.
- b. The Board of APUC was consulted and determined that the acquisition was desirable and in the best interest of APUC that Liberty Utilities consummate the transaction. In addition, the Board of Liberty Utilities Co. was consulted and determined that the acquisition was desirable and that Liberty Utilities should consummate the transaction for the purchase of WWH by Liberty Utilities Co. and its wholly owned subsidiary Liberty WWH, Inc.

CITY-031

Regarding: Boards
Witness: David Pasioka

- a. Please provide board meeting minutes and / or records for the entities described above.
- b. Please provide tax returns for the entities described above.

Objection:

This request is vague, ambiguous, overly broad, unduly burdensome and seeks information which is not relevant to this matter and is protected from disclosure as confidential and contains proprietary trade secrets. This request is not limited in time or subject and is not clear as to the entities covered, so seeks information well outside the potential issues in this docket.

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. Disclosure of such information, even under seal, would be harmful to the business interests of Liberty, because both its seller and the City are parties who 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.

CERTIFICATE OF SERVICE

I hereby certify that on May 4, 2015, the foregoing Liberty Utilities Co. and Liberty WWH, Inc.'s Responses to Data Requests CITY-001 through CITY-031 was served via electronic and U.S. mail on:

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