

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

IN THE MATTER OF the Joint Application of )	REGULATORY DIVISION
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 )	

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**WESTERN WATER HOLDINGS, LLC'S AND MOUNTAIN WATER COMPANY'S  
SUPPLEMENTAL RESPONSE TO MONTANA PUBLIC SERVICE COMMISSION'S  
DATA REQUEST PSC-031**

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Western Water Holdings, LLC ("Western Water") and Mountain Water Company ("Mountain Water") provide the attached supplemental response to the Montana Public Service Commission's Data Requests PSC-031.

Respectfully submitted this 5th day of June, 2015.

Holland & Hart LLP

By: s/Thorvald A. Nelson

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**ATTORNEYS FOR MOUNTAIN WATER  
COMPANY AND WESTERN WATER  
HOLDINGS**

## DATA REQUESTS

**PSC-031:** RE: City of Missoula dealings

Witness: Robert Dove

- a. On pages 6-7 of your testimony, you state that Carlyle Infrastructure and Western Water conferred with outside experts as well as conducted internal analysis to evaluate the tax, bond indenture, and regulatory implications of a potential sale of Mountain to the City. Please provide any and all written evaluations provided to Carlyle and/or to Western Water that are associated with this external and internal evaluation process.
- b. Please explain fully the reasons that Carlyle and Western Water concluded “there would be a significant value degradation in our investment in Western Water if the City’s offer was accepted.” (Dove testimony, p. 7)
- c. Please provide copies of any written communications from Carlyle and/or Western Water to the City regarding the City’s March and November offers to purchase Mountain, the City’s December 2013 “ultimatum,” and the City’s January 2014 offer.

### **Objection:**

Mountain Water and Western Water object 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, confidential and proprietary information, or information protected by the attorney-work product and attorney-client privileges. Mountain Water and Western Water also object to this request on the grounds it is overly broad inasmuch as it seeks “any and all written evaluations...associated with this external and internal evaluation process.”

### **Response to PSC-031:**

- a. Although communications with counsel on the tax implications and potential “make whole” payments on bonds on a sale of Mountain Water, separate from a sale of Park Water, are subject to the attorney-client privilege, attached is an e-mail from April, 2013 outlining the financial implications of such a sale with respect to tax consequences and make-whole payments. See WWH001080.
- b. Upon receiving the \$65 million offer from the City of Missoula for Mountain Water Company stock, Carlyle conducted an analysis on the remaining value of Park Water Company if the City’s offer was accepted. The analysis, which excluded any transaction-related costs, showed that in order to avoid any write-down in our investment in Park Water, at \$65 million for Mountain Water, the California operation would have to be valued at a significant premium to comparable regulated water utility companies, implying significant value degradation would result from accepting City’s offer.

- c. See WWH000001; WWH001081-WWH001082; WWH001083; WWH001084-WWH001085; WWH001086-WWH001087; WWH001088-WWH001090; WWH001091-WWH001093; WWH001094-WWH001096.

**Supplemental Response to PSC-031:**

- a. Note this question seeks information related to a stand-alone sale of Mountain Water to the City of Missoula; not the sale of the entire Western Water enterprise as set forth in the Plan and Agreement of Merger before the Commission. Accordingly, the analysis performed to evaluate the City's offer is inapplicable to evaluating the transaction before the Commission. The Make-Whole analysis conducted by Bank of America on February 13, 2013 is being provided as WWH001300-WWH001305. The remaining information is either protected by the attorney-client privilege or the accountant-client privilege under Mont. Code. Ann. § 37-50-402. See privilege log below:

<b>AUTHOR</b>	<b>RECIPIENT</b>	<b>DESCRIPTION</b>	<b>PRIVILEGE</b>
Hill, Farrer & Burrill LLP	Western Water	Analysis of basic involuntary conversion rules and tax implications associated with condemnation proceeds	Attorney-Client
Ernst & Young	Park Water Company	Estimate of tax basis in Mountain Water and capital gains tax liability associated with the City's offer to purchase Mountain Water	Accountant-Client
Fulbright & Jaworski LLP	Park Water Company (Chris Schilling)	Legal memorandum regarding the terms of Park Water Company's indentures, including mandatory bond prepayment obligation, with make-whole premium upon asset disposition	Attorney-Client
Nossaman LLP	Western Water/Park Water Company (Robert Dove, Chris Schilling, Bryan Lin)	Email correspondence regarding the City of Missoula's \$65 million offer for Mountain Water and impact of a sale of Mountain Water on Park Water's debt/equity ratio and Administrative/General expenses in California	Attorney-Client

## CERTIFICATE OF SERVICE

I hereby certify that on this, the 5th day of June, 2015, **WESTERN WATER HOLDINGS, LLC AND MOUNTAIN WATER COMPANY'S SUPPLEMENTAL RESPONSE TO MONTANA PUBLIC SERVICE COMMISSION'S DATA REQUEST PSC-031** was electronically filed with the Commission and served via U.S. mail and e-mail, unless otherwise noted, to the following:

<p>Kate Whitney Montana PSC 1701 Prospect Avenue PO Box 202601 Helena, MT 59620-2601 <a href="mailto:kwhitney@mt.gov">kwhitney@mt.gov</a> <b>via UPS on 6/8/2015</b></p>	<p>Robert Nelson Monica Tranel Montana Consumer Counsel 111 North Last Chance Gulch, Suite 1B P.O. Box 201703 Helena, MT 59620-1703 <a href="mailto:robnelson@mt.gov">robnelson@mt.gov</a> <a href="mailto:MTranel@mt.gov">MTranel@mt.gov</a></p>
<p>Barbara Chillcott Legal Director The Clark Fork Coalition 140 S 4th Street West, Unit 1 PO Box 7593 Missoula, MT 59801 <a href="mailto:barbara@clarkfork.org">barbara@clarkfork.org</a></p>	<p>Jim Nugent City Attorney The City of Missoula City Attorney's Office 435 Ryman Street Missoula, MT 59802 <a href="mailto:JNugent@ci.missoula.mt.us">JNugent@ci.missoula.mt.us</a></p>
<p>Gary Zadick #2 Railroad Square, Suite B P. O. Box 1746 Great Falls, MT 59403 <b>via U.S. mail</b></p>	<p>Scott Stearns Natasha Prinzing Jones BOONE KARLBERG P.C P.O. Box 9199 Missoula, MT 59807-9199 <a href="mailto:npjones@boonekarlberg.com">npjones@boonekarlberg.com</a> <a href="mailto:sstearns@boonekarlberg.com">sstearns@boonekarlberg.com</a></p>
<p>Thorvald A. Nelson Nikolas S. Stoffel Holland &amp; Hart LLP 6380 South Fiddlers Green Circle Suite 500 Greenwood Village, CO 80111 <a href="mailto:tnelson@hollandhart.com">tnelson@hollandhart.com</a> <a href="mailto:nsstoffel@hollandhart.com">nsstoffel@hollandhart.com</a></p>	<p>John Kappes President &amp; General Manager Mountain Water Company 1345 West Broadway Missoula, MT 59802-2239 <a href="mailto:johnk@mtwater.com">johnk@mtwater.com</a></p>
<p>Christopher Schilling Chief Executive Officer Leigh Jordan Executive Vice President Park Water Company 9750 Washburn Road Downey, CA 90241 <a href="mailto:CSchilling@parkwater.com">CSchilling@parkwater.com</a> <a href="mailto:LeighJ@parkwater.com">LeighJ@parkwater.com</a></p>	<p>Michael Green Gregory F. Dorrington CROWLEY FLECK PLLP 100 North Park, Suite 300 P. O. Box 797 Helena, MT 59624-0797 <a href="mailto:mgreen@crowleyfleck.com">mgreen@crowleyfleck.com</a> <a href="mailto:gorrington@crowleyfleck.com">gorrington@crowleyfleck.com</a></p>

<p>Todd Wiley Assistant General Counsel Liberty Utilities 12725 West Indian School Road, Suite D-101 Avondale, Arizona 85392 <a href="mailto:Todd.Wiley@LibertyUtilities.com">Todd.Wiley@LibertyUtilities.com</a></p>	
	<p>For electronic service only:</p> <p><a href="mailto:ckennedy@hollandhart.com">ckennedy@hollandhart.com</a> <a href="mailto:aclee@hollandhart.com">aclee@hollandhart.com</a> <a href="mailto:crmayers@hollandhart.com">crmayers@hollandhart.com</a> <a href="mailto:cuda@crowleyfleck.com">cuda@crowleyfleck.com</a> <a href="mailto:jtolan@crowleyfleck.com">jtolan@crowleyfleck.com</a> <a href="mailto:sscherer@mt.gov">sscherer@mt.gov</a> <a href="mailto:tsunderland@boonekarlberg.com">tsunderland@boonekarlberg.com</a> <a href="mailto:jlangston@mt.gov">jlangston@mt.gov</a> <a href="mailto:lfarkas@mt.gov">lfarkas@mt.gov</a></p>

*s/ Adele C. Lee*

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**Park Water Company**  
*Make-Whole Analysis*  
*As of February 13, 2013*

Series	Amount		Average		Makewhole Premium	
	Outstanding	Coupon	Life	Maturity	Dollars (\$)	Percent (%)
6th Indenture	\$ 10,000,000	7.59%	12.54	8/31/2025	\$ 5,180,206	151.80%
7th Indenture	\$ 7,000,000	8.82%	4.30	6/1/2020	\$ 2,201,207	131.45%
10th Indenture	\$ 15,000,000	5.99%	22.96	1/27/2036	\$ 6,389,481	142.60%
11th Indenture	\$ 10,000,000	7.56%	17.65	10/6/2033	\$ 6,191,749	161.92%
12th Indenture	\$ 10,000,000	7.65%	25.65	10/6/2038	\$ 7,024,925	170.25%
	<b>\$ 52,000,000</b>				<b>\$ 26,987,567</b>	<b>151.90%</b>

**Park Water Company**

Prepayment Analysis for \$10 Million Notes Due August 31, 2025

As of February 13, 2013

Assumptions and Terms	
Assumed Prepayment Date:	13-Feb-2013
Outstanding Principal:	\$ 10,000,000
Maturity:	31-Aug-2025
Bond Coupon:	7.59%
Next Payment Date:	28-Feb-2013
Payment Frequency:	2
Remaining Average Life:	12.54
Interpolated US Treasury:	2.20%
Make-whole Premium:	0.50%
Reinvestment Yield:	2.70%

Estimated Make-Whole Premium	
Total PV of P&I	\$ 15,528,081
Less: Accrued Interest	(347,875)
Less: Principal Balance	(10,000,000)
<b>Make-Whole Premium (\$)</b>	<b>\$ 5,180,206</b>
<b>Make-Whole Premium (%)</b>	<b>151.80%</b>

Payment Date	Interest Payments	Principal Payments	Principal Balance	Total P+I Payments	PV of Cashflow
<i>Outstanding Principal</i>			\$10,000,000.00		
13-Feb-2013	347,875.00 (accr. int.)	0.00	10,000,000.00	347,875.00	347,875.00
28-Feb-2013	31,625.00	0.00	10,000,000.00	31,625.00	31,589.74
31-Aug-2013	379,500.00	0.00	10,000,000.00	379,500.00	374,036.79
28-Feb-2014	379,500.00	0.00	10,000,000.00	379,500.00	369,063.66
31-Aug-2014	379,500.00	0.00	10,000,000.00	379,500.00	364,156.65
28-Feb-2015	379,500.00	0.00	10,000,000.00	379,500.00	359,314.88
31-Aug-2015	379,500.00	0.00	10,000,000.00	379,500.00	354,537.48
28-Feb-2016	379,500.00	0.00	10,000,000.00	379,500.00	349,823.61
31-Aug-2016	379,500.00	0.00	10,000,000.00	379,500.00	345,172.41
28-Feb-2017	379,500.00	0.00	10,000,000.00	379,500.00	340,583.06
31-Aug-2017	379,500.00	0.00	10,000,000.00	379,500.00	336,054.72
28-Feb-2018	379,500.00	0.00	10,000,000.00	379,500.00	331,586.59
31-Aug-2018	379,500.00	0.00	10,000,000.00	379,500.00	327,177.87
28-Feb-2019	379,500.00	0.00	10,000,000.00	379,500.00	322,827.76
31-Aug-2019	379,500.00	0.00	10,000,000.00	379,500.00	318,535.50
28-Feb-2020	379,500.00	0.00	10,000,000.00	379,500.00	314,300.30
31-Aug-2020	379,500.00	0.00	10,000,000.00	379,500.00	310,121.42
28-Feb-2021	379,500.00	0.00	10,000,000.00	379,500.00	305,998.09
31-Aug-2021	379,500.00	0.00	10,000,000.00	379,500.00	301,929.59
28-Feb-2022	379,500.00	0.00	10,000,000.00	379,500.00	297,915.18
31-Aug-2022	379,500.00	0.00	10,000,000.00	379,500.00	293,954.15
28-Feb-2023	379,500.00	0.00	10,000,000.00	379,500.00	290,045.78
31-Aug-2023	379,500.00	0.00	10,000,000.00	379,500.00	286,189.38
28-Feb-2024	379,500.00	0.00	10,000,000.00	379,500.00	282,384.25
31-Aug-2024	379,500.00	0.00	10,000,000.00	379,500.00	278,629.72
28-Feb-2025	379,500.00	0.00	10,000,000.00	379,500.00	274,925.10
31-Aug-2025	379,500.00	10,000,000.00	0.00	10,379,500.00	7,419,352.57

**Park Water Company**

Prepayment Analysis for \$7 Million Notes Due June 01, 2020

As of February 13, 2013

Assumptions and Terms	
Assumed Prepayment Date:	13-Feb-2013
Outstanding Principal:	\$ 7,000,000
Maturity:	1-Jun-2020
Bond Coupon:	8.82%
Next Payment Date:	1-Jun-2013
Payment Frequency:	2
Remaining Average Life:	4.30
Interpolated US Treasury:	0.75%
Make-whole Premium:	0.50%
Reinvestment Yield:	1.25%

Estimated Make-Whole Premium	
Total PV of P&I	\$ 9,324,687
Less: Accrued Interest	(123,480)
Less: Principal Balance	(7,000,000)
<b>Make-Whole Premium (\$)</b>	<b>\$ 2,201,207</b>
<b>Make-Whole Premium (%)</b>	<b>131.45%</b>

Payment Date	Interest Payments	Principal Payments	Principal Balance	Total P+I Payments	PV of Cashflow
<i>Outstanding Principal</i>			\$7,000,000.00		
13-Feb-2013	123,480.00 (accr. int.)	0.00	7,000,000.00	123,480.00	123,480.00
1-Jun-2013	185,220.00	0.00	7,000,000.00	185,220.00	184,531.63
1-Dec-2013	308,700.00	0.00	7,000,000.00	308,700.00	305,650.05
1-Jun-2014	308,700.00	1,000,000.00	6,000,000.00	1,308,700.00	1,287,753.78
1-Dec-2014	264,600.00	0.00	6,000,000.00	264,600.00	258,754.24
1-Jun-2015	264,600.00	1,000,000.00	5,000,000.00	1,264,600.00	1,229,010.81
1-Dec-2015	220,500.00	0.00	5,000,000.00	220,500.00	212,968.82
1-Jun-2016	220,500.00	1,000,000.00	4,000,000.00	1,220,500.00	1,171,521.06
1-Dec-2016	176,400.00	0.00	4,000,000.00	176,400.00	168,273.53
1-Jun-2017	176,400.00	1,000,000.00	3,000,000.00	1,176,400.00	1,115,262.57
1-Dec-2017	132,300.00	0.00	3,000,000.00	132,300.00	124,648.44
1-Jun-2018	132,300.00	1,000,000.00	2,000,000.00	1,132,300.00	1,060,213.70
1-Dec-2018	88,200.00	0.00	2,000,000.00	88,200.00	82,073.96
1-Jun-2019	88,200.00	1,000,000.00	1,000,000.00	1,088,200.00	1,006,353.17
1-Dec-2019	44,100.00	0.00	1,000,000.00	44,100.00	40,530.80
1-Jun-2020	44,100.00	1,000,000.00	0.00	1,044,100.00	953,660.04

**Park Water Company**  
 Prepayment Analysis for \$15 Million Notes Due January 27, 2036  
 As of February 13, 2013

Assumptions and Terms	
Assumed Prepayment Date:	13-Feb-2013
Outstanding Principal:	\$ 15,000,000
Maturity:	27-Jan-2036
Bond Coupon:	5.99%
Next Payment Date:	27-Jul-2013
Payment Frequency:	2
Remaining Average Life:	22.96
Interpolated US Treasury:	2.82%
Make-whole Premium:	0.50%
Reinvestment Yield:	3.32%

Estimated Make-Whole Premium	
Total PV of P&I	\$ 21,429,414
Less: Accrued Interest	(39,933)
Less: Principal Balance	(15,000,000)
<b>Make-Whole Premium (\$)</b>	<b>\$ 6,389,481</b>
<b>Make-Whole Premium (%)</b>	<b>142.60%</b>

Payment Date	Interest Payments	Principal Payments	Principal Balance	Total P+I Payments	PV of Cashflow
<i>Outstanding Principal</i>			\$15,000,000.00		
13-Feb-2013	39,933.33 (accr. int.)	0.00	15,000,000.00	39,933.33	39,933.33
27-Jul-2013	409,316.67	0.00	15,000,000.00	409,316.67	403,217.20
27-Jan-2014	449,250.00	0.00	15,000,000.00	449,250.00	435,322.58
27-Jul-2014	449,250.00	0.00	15,000,000.00	449,250.00	428,207.90
27-Jan-2015	449,250.00	0.00	15,000,000.00	449,250.00	421,209.51
27-Jul-2015	449,250.00	0.00	15,000,000.00	449,250.00	414,325.49
27-Jan-2016	449,250.00	0.00	15,000,000.00	449,250.00	407,553.98
27-Jul-2016	449,250.00	0.00	15,000,000.00	449,250.00	400,893.14
27-Jan-2017	449,250.00	0.00	15,000,000.00	449,250.00	394,341.16
27-Jul-2017	449,250.00	0.00	15,000,000.00	449,250.00	387,896.27
27-Jan-2018	449,250.00	0.00	15,000,000.00	449,250.00	381,556.70
27-Jul-2018	449,250.00	0.00	15,000,000.00	449,250.00	375,320.75
27-Jan-2019	449,250.00	0.00	15,000,000.00	449,250.00	369,186.71
27-Jul-2019	449,250.00	0.00	15,000,000.00	449,250.00	363,152.93
27-Jan-2020	449,250.00	0.00	15,000,000.00	449,250.00	357,217.75
27-Jul-2020	449,250.00	0.00	15,000,000.00	449,250.00	351,379.58
27-Jan-2021	449,250.00	0.00	15,000,000.00	449,250.00	345,636.82
27-Jul-2021	449,250.00	0.00	15,000,000.00	449,250.00	339,987.93
27-Jan-2022	449,250.00	0.00	15,000,000.00	449,250.00	334,431.35
27-Jul-2022	449,250.00	0.00	15,000,000.00	449,250.00	328,965.59
27-Jan-2023	449,250.00	0.00	15,000,000.00	449,250.00	323,589.15
27-Jul-2023	449,250.00	0.00	15,000,000.00	449,250.00	318,300.59
27-Jan-2024	449,250.00	0.00	15,000,000.00	449,250.00	313,098.46
27-Jul-2024	449,250.00	0.00	15,000,000.00	449,250.00	307,981.35
27-Jan-2025	449,250.00	0.00	15,000,000.00	449,250.00	302,947.87
27-Jul-2025	449,250.00	0.00	15,000,000.00	449,250.00	297,996.65
27-Jan-2026	449,250.00	0.00	15,000,000.00	449,250.00	293,126.36
27-Jul-2026	449,250.00	0.00	15,000,000.00	449,250.00	288,335.66
27-Jan-2027	449,250.00	0.00	15,000,000.00	449,250.00	283,623.26
27-Jul-2027	449,250.00	0.00	15,000,000.00	449,250.00	278,987.88
27-Jan-2028	449,250.00	0.00	15,000,000.00	449,250.00	274,428.25
27-Jul-2028	449,250.00	0.00	15,000,000.00	449,250.00	269,943.15
27-Jan-2029	449,250.00	0.00	15,000,000.00	449,250.00	265,531.34
27-Jul-2029	449,250.00	0.00	15,000,000.00	449,250.00	261,191.64
27-Jan-2030	449,250.00	0.00	15,000,000.00	449,250.00	256,922.87
27-Jul-2030	449,250.00	0.00	15,000,000.00	449,250.00	252,723.86
27-Jan-2031	449,250.00	0.00	15,000,000.00	449,250.00	248,593.48
27-Jul-2031	449,250.00	0.00	15,000,000.00	449,250.00	244,530.61
27-Jan-2032	449,250.00	0.00	15,000,000.00	449,250.00	240,534.13
27-Jul-2032	449,250.00	0.00	15,000,000.00	449,250.00	236,602.97
27-Jan-2033	449,250.00	0.00	15,000,000.00	449,250.00	232,736.06
27-Jul-2033	449,250.00	0.00	15,000,000.00	449,250.00	228,932.35
27-Jan-2034	449,250.00	0.00	15,000,000.00	449,250.00	225,190.81
27-Jul-2034	449,250.00	0.00	15,000,000.00	449,250.00	221,510.41
27-Jan-2035	449,250.00	0.00	15,000,000.00	449,250.00	217,890.17
27-Jul-2035	449,250.00	0.00	15,000,000.00	449,250.00	214,329.09
27-Jan-2036	449,250.00	15,000,000.00	0.00	15,449,250.00	7,250,098.73

**Park Water Company**

Prepayment Analysis for \$10 Million Notes Due October 06, 2033

As of February 13, 2013

Assumptions and Terms	
Assumed Prepayment Date:	13-Feb-2013
Outstanding Principal:	\$ 10,000,000
Maturity:	6-Oct-2033
Bond Coupon:	7.56%
Next Payment Date:	6-Apr-2013
Payment Frequency:	2
Remaining Average Life:	17.65
Interpolated US Treasury:	2.50%
Make-whole Premium:	0.50%
Reinvestment Yield:	3.00%

Estimated Make-Whole Premium	
Total PV of P&I	\$ 16,458,449
Less: Accrued Interest	(266,700)
Less: Principal Balance	(10,000,000)
<b>Make-Whole Premium (\$)</b>	<b>\$ 6,191,749</b>
<b>Make-Whole Premium (%)</b>	<b>161.92%</b>

Payment Date	Interest Payments	Principal Payments	Principal Balance	Total P+I Payments	PV of Cashflow
<i>Outstanding Principal</i>			\$10,000,000.00		
13-Feb-2013	266,700.00 (accr. int.)	0.00	10,000,000.00	266,700.00	266,700.00
6-Apr-2013	111,300.00	0.00	10,000,000.00	111,300.00	110,812.66
6-Oct-2013	378,000.00	0.00	10,000,000.00	378,000.00	370,777.66
6-Apr-2014	378,000.00	0.00	10,000,000.00	378,000.00	365,292.79
6-Oct-2014	378,000.00	0.00	10,000,000.00	378,000.00	359,889.05
6-Apr-2015	378,000.00	0.00	10,000,000.00	378,000.00	354,565.26
6-Oct-2015	378,000.00	0.00	10,000,000.00	378,000.00	349,320.21
6-Apr-2016	378,000.00	0.00	10,000,000.00	378,000.00	344,152.76
6-Oct-2016	378,000.00	0.00	10,000,000.00	378,000.00	339,061.75
6-Apr-2017	378,000.00	0.00	10,000,000.00	378,000.00	334,046.05
6-Oct-2017	378,000.00	0.00	10,000,000.00	378,000.00	329,104.54
6-Apr-2018	378,000.00	0.00	10,000,000.00	378,000.00	324,236.14
6-Oct-2018	378,000.00	0.00	10,000,000.00	378,000.00	319,439.75
6-Apr-2019	378,000.00	0.00	10,000,000.00	378,000.00	314,714.31
6-Oct-2019	378,000.00	0.00	10,000,000.00	378,000.00	310,058.78
6-Apr-2020	378,000.00	0.00	10,000,000.00	378,000.00	305,472.12
6-Oct-2020	378,000.00	0.00	10,000,000.00	378,000.00	300,953.30
6-Apr-2021	378,000.00	0.00	10,000,000.00	378,000.00	296,501.34
6-Oct-2021	378,000.00	0.00	10,000,000.00	378,000.00	292,115.23
6-Apr-2022	378,000.00	0.00	10,000,000.00	378,000.00	287,794.00
6-Oct-2022	378,000.00	0.00	10,000,000.00	378,000.00	283,536.70
6-Apr-2023	378,000.00	0.00	10,000,000.00	378,000.00	279,342.37
6-Oct-2023	378,000.00	0.00	10,000,000.00	378,000.00	275,210.09
6-Apr-2024	378,000.00	0.00	10,000,000.00	378,000.00	271,138.94
6-Oct-2024	378,000.00	0.00	10,000,000.00	378,000.00	267,128.01
6-Apr-2025	378,000.00	0.00	10,000,000.00	378,000.00	263,176.42
6-Oct-2025	378,000.00	0.00	10,000,000.00	378,000.00	259,283.28
6-Apr-2026	378,000.00	0.00	10,000,000.00	378,000.00	255,447.73
6-Oct-2026	378,000.00	0.00	10,000,000.00	378,000.00	251,668.92
6-Apr-2027	378,000.00	0.00	10,000,000.00	378,000.00	247,946.01
6-Oct-2027	378,000.00	1,428,571.43	8,571,428.57	1,806,571.43	1,167,476.12
6-Apr-2028	324,000.00	0.00	8,571,428.57	324,000.00	206,283.94
6-Oct-2028	324,000.00	1,428,571.43	7,142,857.14	1,752,571.43	1,099,318.86
6-Apr-2029	270,000.00	0.00	7,142,857.14	270,000.00	166,855.01
6-Oct-2029	270,000.00	1,428,571.43	5,714,285.71	1,698,571.43	1,034,157.88
6-Apr-2030	216,000.00	0.00	5,714,285.71	216,000.00	129,563.99
6-Oct-2030	216,000.00	1,428,571.43	4,285,714.28	1,644,571.43	971,875.98
6-Apr-2031	162,000.00	0.00	4,285,714.28	162,000.00	94,319.32
6-Oct-2031	162,000.00	1,428,571.43	2,857,142.85	1,590,571.43	912,360.27
6-Apr-2032	108,000.00	0.00	2,857,142.85	108,000.00	61,032.97
6-Oct-2032	108,000.00	1,428,571.43	1,428,571.42	1,536,571.43	855,501.98
6-Apr-2033	54,000.00	0.00	1,428,571.42	54,000.00	29,620.31
6-Oct-2033	54,000.00	1,428,571.42	0.00	1,482,571.42	801,196.36

**Park Water Company**  
 Prepayment Analysis for \$10 Million Notes Due October 06, 2038  
 As of February 13, 2013

Assumptions and Terms		
Assumed Prepayment Date:		13-Feb-2013
Outstanding Principal:	\$	10,000,000
Maturity:		6-Oct-2038
Bond Coupon:		7.65%
Next Payment Date:		6-Apr-2013
Payment Frequency:		2
Remaining Average Life:		25.65
Interpolated US Treasury:		2.99%
Make-whole Premium:		0.50%
Reinvestment Yield:		3.49%

Estimated Make-Whole Premium		
Total PV of P&I	\$	17,294,800
Less: Accrued Interest		(269,875)
Less: Principal Balance		(10,000,000)
<b>Make-Whole Premium (\$)</b>	<b>\$</b>	<b>7,024,925</b>
<b>Make-Whole Premium (%)</b>		<b>170.25%</b>

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Payment Date	Interest Payments	Principal Payments	Principal Balance	Total P+I Payments	PV of Cashflow
<i>Outstanding Principal</i>			\$10,000,000.00		
13-Feb-2013	269,875.00 (accr. int.)	0.00	10,000,000.00	269,875.00	269,875.00
6-Apr-2013	112,625.00	0.00	10,000,000.00	112,625.00	112,053.59
6-Oct-2013	382,500.00	0.00	10,000,000.00	382,500.00	374,041.68
6-Apr-2014	382,500.00	0.00	10,000,000.00	382,500.00	367,635.62
6-Oct-2014	382,500.00	0.00	10,000,000.00	382,500.00	361,339.29
6-Apr-2015	382,500.00	0.00	10,000,000.00	382,500.00	355,150.78
6-Oct-2015	382,500.00	0.00	10,000,000.00	382,500.00	349,068.27
6-Apr-2016	382,500.00	0.00	10,000,000.00	382,500.00	343,089.93
6-Oct-2016	382,500.00	0.00	10,000,000.00	382,500.00	337,213.97
6-Apr-2017	382,500.00	0.00	10,000,000.00	382,500.00	331,438.66
6-Oct-2017	382,500.00	0.00	10,000,000.00	382,500.00	325,762.25
6-Apr-2018	382,500.00	0.00	10,000,000.00	382,500.00	320,183.06
6-Oct-2018	382,500.00	0.00	10,000,000.00	382,500.00	314,699.42
6-Apr-2019	382,500.00	0.00	10,000,000.00	382,500.00	309,309.70
6-Oct-2019	382,500.00	0.00	10,000,000.00	382,500.00	304,012.29
6-Apr-2020	382,500.00	0.00	10,000,000.00	382,500.00	298,805.60
6-Oct-2020	382,500.00	0.00	10,000,000.00	382,500.00	293,688.08
6-Apr-2021	382,500.00	0.00	10,000,000.00	382,500.00	288,658.21
6-Oct-2021	382,500.00	0.00	10,000,000.00	382,500.00	283,714.49
6-Apr-2022	382,500.00	0.00	10,000,000.00	382,500.00	278,855.43
6-Oct-2022	382,500.00	0.00	10,000,000.00	382,500.00	274,079.60
6-Apr-2023	382,500.00	0.00	10,000,000.00	382,500.00	269,385.55
6-Oct-2023	382,500.00	0.00	10,000,000.00	382,500.00	264,771.90
6-Apr-2024	382,500.00	0.00	10,000,000.00	382,500.00	260,237.27
6-Oct-2024	382,500.00	0.00	10,000,000.00	382,500.00	255,780.30
6-Apr-2025	382,500.00	0.00	10,000,000.00	382,500.00	251,399.66
6-Oct-2025	382,500.00	0.00	10,000,000.00	382,500.00	247,094.04
6-Apr-2026	382,500.00	0.00	10,000,000.00	382,500.00	242,862.17
6-Oct-2026	382,500.00	0.00	10,000,000.00	382,500.00	238,702.77
6-Apr-2027	382,500.00	0.00	10,000,000.00	382,500.00	234,614.62
6-Oct-2027	382,500.00	0.00	10,000,000.00	382,500.00	230,596.47
6-Apr-2028	382,500.00	0.00	10,000,000.00	382,500.00	226,647.15
6-Oct-2028	382,500.00	0.00	10,000,000.00	382,500.00	222,765.46
6-Apr-2029	382,500.00	0.00	10,000,000.00	382,500.00	218,950.25
6-Oct-2029	382,500.00	0.00	10,000,000.00	382,500.00	215,200.38
6-Apr-2030	382,500.00	0.00	10,000,000.00	382,500.00	211,514.74
6-Oct-2030	382,500.00	0.00	10,000,000.00	382,500.00	207,892.22
6-Apr-2031	382,500.00	0.00	10,000,000.00	382,500.00	204,331.74
6-Oct-2031	382,500.00	0.00	10,000,000.00	382,500.00	200,832.23
6-Apr-2032	382,500.00	0.00	10,000,000.00	382,500.00	197,392.67
6-Oct-2032	382,500.00	0.00	10,000,000.00	382,500.00	194,012.01
6-Apr-2033	382,500.00	0.00	10,000,000.00	382,500.00	190,689.25
6-Oct-2033	382,500.00	0.00	10,000,000.00	382,500.00	187,423.39
6-Apr-2034	382,500.00	0.00	10,000,000.00	382,500.00	184,213.47
6-Oct-2034	382,500.00	0.00	10,000,000.00	382,500.00	181,058.53
6-Apr-2035	382,500.00	0.00	10,000,000.00	382,500.00	177,957.62
6-Oct-2035	382,500.00	0.00	10,000,000.00	382,500.00	174,909.81
6-Apr-2036	382,500.00	0.00	10,000,000.00	382,500.00	171,914.21
6-Oct-2036	382,500.00	0.00	10,000,000.00	382,500.00	168,969.91
6-Apr-2037	382,500.00	0.00	10,000,000.00	382,500.00	166,076.03
6-Oct-2037	382,500.00	0.00	10,000,000.00	382,500.00	163,231.72
6-Apr-2038	382,500.00	0.00	10,000,000.00	382,500.00	160,436.12
6-Oct-2038	382,500.00	10,000,000.00	0.00	10,382,500.00	4,280,261.00