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March 17, 2008

VIA HAND-DELIVERY AND E-MAIL

Blessing Chukwu
Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Keith Layton, Staff Attorney
Legal Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Re: **Perkins Mountain Water Company and Perkins Mountain Utility Company
Docket Nos. W-20380A-05-0490 and SW-20379A-05-0489
Responses to Staff's Fifth Set of Data Requests Dated March 7, 2008**

Dear Ms. Chukwu and Mr. Layton:

Perkins Mountain Water Company and Perkins Mountain Utility Company hereby submit the attached Responses to Staff's Fifth Set of Data Requests dated March 7, 2008. An electronic version of these responses is also being sent to you via e-mail.

Please do not hesitate to contact me if you have any questions.

Sincerely,

Snell & Wilmer

Bradley S. Carroll

BSC/jyb
Enclosure

cc: Docket Control (Original plus 15 copies)
Robin Mitchell, Esq. (Via e-mail only)
Michele Finical (Via e-mail only)

Arizona Corporation Commission
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MAR 17 2008

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**RESPONSE OF PERKINS MOUNTAIN WATER COMPANY
AND PERKINS MOUNTAIN UTILITY COMPANY
TO ARIZONA CORPORATION COMMISSION
STAFF'S FIFTH SET OF DATA REQUESTS
DOCKET NOS. W-20380A-05-0490, SW-20379A-05-0489
March 7, 2008**

BNC 5.1 In Perkins Companies' response to Staff's Fourth Set of Data Requests, Item No. BNC 4.1, the relationships between AIG, AIG Global Investment Corp, American General Life Insurance Company, and AIG Highstar GP II, L.P. are referred to as "Indirect subsidiary" and/or "Investment Manager by contract." Please explain the following: the terms "Indirect subsidiary" and "Investment Manager by contract"; the percentage of ownership interests; and which entity is being managed and by whom.

Response: *Indirect Subsidiary* - BNC 2.6 requested a detailed explanation of the relationship between Utilities, Inc., Perkins Mountain Water Company, Perkins Mountain Utility Company, Hydro Star, LLC, Nuon NV and AIG Highstar Capital L.P. and American International Group, Inc. The response to BNC 2.6 and the organizational chart provided pursuant to BNC 4.1 were intended to demonstrate the relationship between the enumerated entities. The term "Indirect Subsidiary" as used in the response to BNC 4.1 means that there are intermediate holding companies in the structure for tax and other purposes.

Investment Manager by Contract - This means that AIG Global Investment Corp. provides investment advisory and management services to American General Life Insurance Company pursuant to a contract between the parties. The Investment Advisors Act and the Insurance Holding Company regulations require that even among affiliates, these types of investment advisory services are provided pursuant to a contract.

Prepared by: Michael T. Dryjanski
Manager, Regulatory Accounting
Utilities, Inc.
2335 Sanders Road
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**RESPONSE OF PERKINS MOUNTAIN WATER COMPANY
AND PERKINS MOUNTAIN UTILITY COMPANY
TO ARIZONA CORPORATION COMMISSION
STAFF'S FIFTH SET OF DATA REQUESTS
DOCKET NOs. W-20380A-05-0490, SW-20379A-05-0489
March 7, 2008**

BNC 5.2 Perkins Companies' response to Staff's Fourth Set of Data Requests, Item No. BNC 4.1, depicts that AIG Highstar GP II, L.P. with other "Investors" own AIG Highstar Capital II, L.P., AIG Highstar Capital II Overseas Investor Fund, L.P., and AIG Highstar Capital II Prism Fund, L.P. Please identify the "Investors."

Response: The "Investors" identified for the AIG Highstar Capital funds are third parties that have made capital commitments to the funds. These third parties are 100% passive with respect to decision making authority, and have, in effect, hired AIG Global Investment Corp. and AIG Highstar GP II, L.P. to provide investment services in the infrastructure sector. AIG Global Investment Corp. and AIG Highstar GP II, L.P. have a strong track record of making investments in this sector. Additionally, as indicated in the response to BNC 2.8, neither Mr. Rhodes, nor any of his family members, are "Investors" in the AIG Highstar Capital funds.

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