

Q.UPC:UHS/RPI.2-18: Regarding page 10, lines 10-19 and page 12 lines 4-6:

- a. Please identify and provide all documents and any other information, written or oral, relied upon for the statements: "the likely loss of jobs and reduced economic activity related to the presence of the King George School," and that the "Development of the proposed project will result in the closure of the school facility."
- b. Identify each person who provided you with the documents and information noted in response a. and the dates it was provided.
- c. Admit that the decision whether to operate the KGS in the future will be made by its owner, Universal Health Services.
- d. Does your baseline forecast assume that the KGS would remain open and operating throughout the forecast period?
- e. Does your analysis take into account that KGS was part of a bankruptcy proceeding when it was purchased by UHS last year?
- f. Given the primary business focus of UHS, why do you assume that the facility was not purchased for the purpose of converting it to a residential care facility or other health care facility?
- g. Why did you assume the conversion of the facility to "a residential care facility of some sort?" Provide all documents reviewed or relied upon in your decision to rely on that assumption.
- h. Did anyone from the KGS or UHS suggest or mention this use at any time in preparing your analysis? Please identify all conversations, documents or other information relied upon in making this judgment.
- i. Did you review any documents, memoranda or other information associated with UHS' intentions and strategic analyses of its purchase of the KGS? If not, why? What makes you believe that the purchase of a bankrupt facility in an unrelated industry sector was not for the purpose of conversion to another use, such as a residential care facility?
- j. Please identify all model inputs used in specifying both the closure of the KGS and the renovation/conversion of the facility to a "residential care facility of some sort." What were the construction costs assumed in this conversion? Why did you assume on page 13, line 7, that it would require 24 months between the time the school closes and the time the residential care facility becomes operative?

- k. Are you aware of any other school anywhere in the world that has closed as a result of proximity to a wind farm? If so please identify and produce all supporting documentation.
- l. Are you aware of any businesses anywhere in the world that have closed as a result of proximity to a wind farm? If so, please identify these and produce all supporting documentation.
- m. Are you aware of any other businesses in Sheffield or Sutton that may close as a result of the proposed wind farm? If so please identify and produce all supporting documentation.
- n. Has the public school in Sheffield threatened to close due to the same reason? If so please identify and produce all supporting documentation.

A.UPC:UHS/RPI.2-18:

- a. Mr. Copp discussed the matter of the operation of the King George School following the permitting of the proposed facilities with Head of School Dr. Karen Fitzhugh on our about June 27 or 28, and again with Gerard Jones, CFO of King George School, on July 3, 2006. Head of School Dr. Fitzhugh confirmed that development of the proposed project will result in the closure of the King George School. These statements are consistent with statements made in public forums by Dr. Fitzhugh as reported in the public media (including at a Public Hearing of the Vermont Public Service Board).
- b. Dr. Karen Fitzhugh and Mr. Gerard Jones.
- c. We have no direct knowledge of the decisionmaking processes of King George School or of Universal Health Services.
- d. Yes. The baseline is the same baseline forecast employed by UPC's witness.
- e. Yes.
- f. Based on discussions with King George School management, the acquisition of the King George School out of the bankruptcy of its former parent corporation appears to be a strategic initiative designed to expand UHS' presence and market share in the rapidly growing behavioral sciences field.
- g. Objection to the extent the question requests confidential and proprietary information of UHS, which may be provided subject to, and in accordance with, a Protective Agreement and Protective Order in the docket. The highest and best

use of the property is under its current operation as King George School in which it provides employment opportunities to an educated work force, and has consistent operational and personal expenditures in the local community. A residential care facility is the highest value of likely alternative use, and therefore presented the most conservative assumption. Information used in the conversion scenario was previously provided in (other than confidential and proprietary information noted above) discovery response A.UPC:UHS/RPI.1-1 (Copp/Carr), and Attachments 1.10 to 1.21 thereto.

- h. No.
- i. Objection. The question is ambiguous. Without waiving this objection, we did not review documents or memoranda associated with UHS' intentions and strategic analysis of its purchase of KGS. We discussed these matters with KGS management as previously disclosed, and reviewed on-line information about the company and industry. The balance of the question contains a faulty premise. The industry sector in which UHS participates and the King George School operates are logically and strategically connected, particularly when viewed from the more recent acquisition strategy of UHS as noted in the attached materials from UHS.

<http://www.google.com/finance?q=UHS>

[http://www.hoovers.com/universal-health-services/--ID\\_15028--/free-co-factsheet.xhtml](http://www.hoovers.com/universal-health-services/--ID_15028--/free-co-factsheet.xhtml)

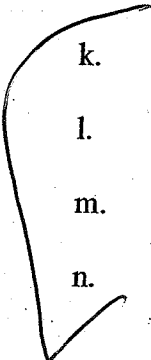
<http://biz.yahoo.com/ic/14/14475.html>

<http://www.aspeneducation.com/>

<http://www.aspeneducation.com/Res-schools.html>

- j. This information was previously provided (other than confidential and proprietary information noted above) in discovery response A.UPC:UHS/RPI.1-1 (Copp/Carr), and Attachments 1.10 to 1.21 thereto. The conversion was modeled as the change in the number of employees and the change in employment industry classification from NAICS code 61111 – Elementary and Secondary Schools to NAICS code 623 – Nursing and Residential Care Facilities. Differences in infrastructure expenditures and operating budgets are captured by the REDYN model in the level of employment and industry sector classification. Consistent with King George School's annual expenditures on buildings and grounds, an alternative endeavor will direct similar expenditures towards a conversion process. Any short-term anomaly associated with an intensive first-year conversion project would be more than offset by differences associated with a larger ongoing operational budget associated with a school. As for the 24 months between conversion, this was reported in error and should have been written to convey a potential for a transitional period in the conversion of the facilities. As the work papers provided by EPR document, the analysis modeling the economic impact associated with the closing of the King George School and the opening of

a residential care facility was performed sequentially with no time in between for conversion. As detailed in A.UPC:UHS/RPI.2-10b, the assumption of no delay between the closing and opening of these facilities makes the EPR analysis conservative.

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- k. We have no knowledge in this regard.
  - l. We have no knowledge in this regard.
  - m. We have no knowledge in this regard.
  - n. We have no knowledge in this regard.

Persons Responsible for Response: Lawrence D. Copp and Jeffrey B. Carr  
Administrative Unit: Economic & Policy Resources, Inc.  
Date: August 23, 2006