

**BEFORE THE PUBLIC SERVICE COMMISSION OF WYOMING**  
Minutes of Regular Open Meeting

**Tuesday, April 1, 2008**  
**9:00 a.m.**

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**Commissioners:** Chairman Kathleen A. "Cindy" Lewis, presiding  
Deputy Chairman Steve Oxley  
Commissioner Mary Byrnes

Bud Becker, SourceGas Distribution, LLC (by telephone)  
Verlyn Engler, SourceGas Distribution, LLC (by telephone)  
Joe Furay, SourceGas Distribution, LLC (by telephone)  
Paul Hickey, counsel for SourceGas Distribution, LLC  
Jack Palma, counsel for Encana Oil & Gas (USA), Inc.  
Kelley Pearson, counsel for SourceGas Distribution, LLC  
Larry Shuttlesworth, customer of SourceGas Distribution,  
LLC (by telephone)  
Helen Wells, SourceGas Distribution, LLC (by telephone)

Office of Consumer Advocate (OCA): Dave McMullian

Commission Staff: Michelle Bohanan, Vicky Hansen, Marchia Johansen,  
Shirley McCown, Steve Mink, Chris Petrie, Dave Walker, Darrell Zlomke

1. **Docket No. 30022-107-GI-08 (Record No. 11610) Investigation, upon the Commission's own motion, of the billing practices and procedures of SourceGas Distribution, LLC, (SourceGas) and the impact on its customers. Commission to receive an update from SourceGas representatives about problems related to the Company's billing system and associated issues.** SourceGas personnel provided an update on the billing issues still open including those of Joe Quiroz and State Senator Cale Case. As a result of discussions, SourceGas was requested to provide (1) the text used by customer service representatives to determine if the the company's offered appliance protection coverage is accepted by customers; (2) the number of group billings affected by billing inaccuracies; (3) a time when the group billings are expected to be corrected; (4) verification that Mr. Quiroz is one of the customers included in the list of autodraft errors and when reversal of erroneous charges to his credit card occurs; and (5) verification of when a meeting occurs with Senator Case regarding possible damage to his motel property (not a billing error).
  
2. **Docket No. 30022-111-GA-08 (Record No. 11662) Application of SourceGas Distribution, LLC, for authority to abandon natural gas service to eight customers and eleven premises in the Shoshoni area in Fremont County, Wyoming.** Bud Becker, Source Gas, provided an overview of the application to abandon service and verified copies of the application and exhibits were mailed to each customer. Mr. Becker agreed to also provide the customers with a copy of the gas purchase contract and the

extension agreement with Encana Oil & Gas (USA), Inc. (Encana). After discussion of possible alternatives to disconnection and of costs of conversion to propane, SourceGas agreed to provide further information on (1) energy audit capabilities in the area, (2) the potential for developing additional customers in the area, (3) a revision of maps in the application exhibit to include potential future development, and (4) inclusion of the cost to rent or purchase a 1,000-gallon propane tank in the conversion cost estimate spreadsheet. This information and an update on negotiations with Encana to continue service are to be provided at the next open meeting.

A full audio transcript is available upon request.

Next Open Meeting: Wednesday, April 9, 2008, at 1:30 p.m.

Prepared by: Deborah McFerrin

ACCEPTED and APPROVED by the Commission on the \_\_\_\_ day of June 2008.

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Kathleen A. "Cindy" Lewis, Chairman

**BEFORE THE PUBLIC SERVICE COMMISSION OF WYOMING**  
Minutes of Regular Open Meeting

**Wednesday, April 9, 2008**  
**1:30 p.m.**

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**Commissioners:** Chairman Kathleen A. "Cindy" Lewis, presiding  
Commissioner Mary Byrnes

J. C. Albrandt, Fremont County resident (by telephone)  
Bud Becker, SourceGas Distribution, LLC  
Verlyn Engler, SourceGas Distribution, LLC  
Joe Furay, SourceGas Distribution, LLC  
Mark Halseide, EnCana Oil & Gas  
David Hedrick, Wyrulec Company (by telephone)  
Paul J. Hickey, Counsel for SourceGas Distribution, LLC  
Jeff Hubbard, Qwest Communications  
Len Mize, SourceGas Distribution LLC  
Elisebeth Pendley, Seminole Energy Services (by telephone)  
Scott Regan, Counsel for EnCana Oil & Gas  
Mr. and Mrs. Shuttlesworth, Fremont County resident (by telephone)  
Helen Wells, SourceGas Distribution, LLC  
Mr. & Mrs. Wayne Wilson, Fremont County resident (by telephone)

Office of Consumer Advocate (OCA): David McMullian, Denise Parrish,  
Ivan Williams

Commission Staff: Blair Bales, Don Biedermann, Luy Luong, Dave  
Lucero, Shirley McCown, Marci Norby, David Piroutek, Art Schmidt,  
Barbara Taylor-Iversen

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**CONSENT AGENDA ITEMS**

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- 1. Docket no. 20000-320-EA-08 (Record No. 11671) Application of Rocky Mountain Power, for authority to sell, lease or dispose of certain utility plant or facilities. Commission to consider and act on the Company's application.**
  
- 2. Docket No. 30022-84-GA-06 (Record No. 10806) Joint application of SourceGas, LLC, SourceGas Distribution, LLC, Kinder Morgan, Inc., and KM Retail Utility Holdco, LLC, for approval of a transfer of utility assets and certificate authority from Kinder Morgan, Inc., to SourceGas Distribution, LLC, and reorganization of SourceGas Distribution, LLC, as a wholly-owned subsidiary of SourceGas, LLC. Commission to consider SourceGas Distribution, LLC's, request for an extension of time from May 1, 2008, until May 31, 2008, to file its 2007 Audited Financial Statements Report.**

3. **Docket Nos. 70000-1366-TK-08 and 70043-19-TK-08 (Record No. 11645) Qwest Corporation and Level 3 Communications, LLC., joint application for Commission authority to enter into a DC Power Measurement Amendment to a Wireline Interconnection Agreement.**
4. **Docket No. 70114-21-TA-08 (Record No. 11693) Petition of Bresnan Broadband of Wyoming (Bresnan), LLC, for confidential treatment for portions of the 2007 annual report. Commission to consider and act on Bresnan's Petition for Confidential Treatment.**
5. **Undocketed. Open Meeting Minutes for review by the Commission for the Regular Open Meetings of January 30, February 6, and February 26, 2008. Prepared by: Angela Elliott and Deborah McFerrin.**

Chairman Lewis introduced the consent agenda and asked if there were any requests to withdraw an item for further consideration. There were no requests, comments or questions. Steve Mink, Commission Counsel, recommended approval of Items 1, 3 and 4 by Order only, effective immediately. For Item 2, Mr. Mink recommended approval by Letter Order. Commissioner Byrnes moved to approve Staff's recommendations for Items 1 through 4 and to accept the Open Meeting Minutes listed in Item 5 as submitted. Chairman Lewis seconded the motion.

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#### **REGULAR AGENDA ITEMS**

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1. **Docket No. 90000-103-XO-08 (Record No. 11691). Proposed revision of Chapter 2, Section 208 of the Commission's Procedural Rules and Special Regulations regarding certain *de minimis* transfers.** Steve Mink, Commission Counsel, stated the Proposed Memorandum for the initial rule making had been approved by the Governor's Office on March 31, 2008, and recommended the initiation of a rule making for *de minimis* transfers as more fully defined in the proposed rules. Commissioner Byrnes moved to initiate the rule making for the revision of Chapter 2, Section 208. Chairman Lewis seconded the motion.
2. **Docket No. 10016-49-CT-07 (Record No. 11474) Application of Wyrulec Company for notice of filing net metering service and avoided cost tariffs.** Marci Norby, Commission Advisory Staff (CAS), provided a technical memo dated April 7, 2008. David Hedrick, Wyrulec Company, appeared by telephone and stated this matter was a continuation of a previous issue brought before the Commission. It was earlier determined that the net metering and avoided cost tariffs were to become a separate filing and tariff revisions would be required. Mr. Hedrick advised the Commission that revised tariffs were filed in January 2008, and all other issues have been addressed. Ms. Norby recommended approval of the revised tariffs by Notice and Order effective immediately. Commissioner Byrnes moved to take action as recommended and Chairman Lewis seconded the motion.
3. **Docket No. 30022-107-GI-08 (Record No. 11610) Investigation, upon the Commission's own motion, of the billing practices and procedures of SourceGas**

**Distribution, LLC, and the impact on its customers.** Elisebeth Pendley, Seminole Energy Services, appeared by telephone and reminded the Commission that Seminole's proposal to revise the Choice Gas Service Supplier Participation Agreement was submitted to the Commission on March 28, 2008. Ms. Pendley referenced her statement to the Commission at the February 13<sup>th</sup> Public Comment Hearing held in Casper regarding SourceGas's unpaid balance on gas deliveries between September 2007 and February of 2008. Seminole's proposal reflects changes to the Agreement that are directly tied to customer billing problems. Ms. Pendley also noted SourceGas now has a method to estimate their remaining unpaid bills and could pay Seminole some of the outstanding balance with the understanding that there would be a true up at a later date. She said this method would be acceptable to Seminole. Chris Petrie, Chief Counsel, suggested this matter might be better served under a separate tariff filing. Bud Becker, SourceGas Distribution (SourceGas), represented the Company's willingness to work with Seminole and all other suppliers to resolve this issue and stated their willingness to communicate with all the suppliers within the next two weeks to reach some sort of agreement acceptable to all. Both Helen Wells and Bud Becker then presented SourceGas' responses to the information and updates the Commission requested be provided by April 1, 2008. The Commission then requested SourceGas to provide additional information at the April 17, 2008, Open Meeting.

4. **Docket No. 30022-111-GA-08 (Record No. 11662) Application of SourceGas Distribution, LLC, for authority to abandon natural gas service to eight customers and eleven premises in the Shoshoni area in Fremont County, Wyoming.** Paul Hickey, Counsel for SourceGas, introduced Verlyn Engler who provided an overview of maps and other documents presented to the Commission in support of their application for abandonment. Fremont County residents participated by telephone. Discussion took place regarding right-of-way issues, process plants, gas wells, treatment facilities and possible alternatives. Bud Becker, SourceGas, discussed the history, previous ownership and transfer of certain gas and utility lines starting with Montana-Dakota Utilities, Kinder Morgan, EnCana and other companies. Mr. Petrie, Chief Counsel, stated he would work with all involved to get an accurate history of ownership for the lines in question. Scott Regan, Counsel for EnCana Oil & Gas, stated there is no long term strategy or future plans regarding a treatment facility with SourceGas or even supplying gas to this location on a continuous basis. The Commission discussed plans to hold a public hearing in Pavillion or Riverton on June 11, 2008 regarding the abandonment application, at which time SourceGas and EnCana are directed to provide the additional requested information.
5. **Docket No. 90072-28-XO-08 (Record No. 11690) Funding requirement and proposed assessment factor for the July 2008 to June 2009 fiscal year of the Wyoming Universal Service Fund.** Ivan Williams, Counsel for the Wyoming Office of Consumer Advocates (OCA), stated OCA is requesting access to certain confidential information in the Wyoming Universal Service Fund's (WUSF) docket file in order to conduct their yearly review. He stated that OCA had received this information in the past and would provide acknowledgment letters to show receipt and return of the confidential documents. Discussion followed regarding implementation of an improved process to allow access to the confidential documents while ensuring security of the information. Chris Petrie, Chief Counsel, suggested the following recommendation: to grant OCA access to all confidential material in the WUSF's annual report; require an inventory list from OCA

acknowledging what confidential materials were received and how the materials would be handled by OCA; at the conclusion of the proceeding, the confidential copies will be returned or destroyed, including any working copies that OCA has made for themselves; all original, confidential documents are to be maintained with the docket file; electronic documents provided to OCA will be deleted from the server at the conclusion of the proceeding; OCA will file an acknowledgment letter detailing which hard copy and electronic documents were returned, destroyed and deleted; and a detailed description the electronic working data OCA created and intends to maintain after the conclusion of the proceeding. Commissioner Byrnes moved to take action as recommended and Chairman Lewis seconded.

A full audio transcript is available upon request.

Next Open Meeting: Monday, April 14, 2008, at 3:00 p.m.

Prepared by: Angie Elliott

ACCEPTED and APPROVED by the Commission on the 5<sup>th</sup> day of June 2008.

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Kathleen A. "Cindy" Lewis, Chairman

**BEFORE THE PUBLIC SERVICE COMMISSION OF WYOMING**  
Minutes of Regular Open Meeting

**Monday, April 14, 2008**  
**3:30 p.m.**

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**Commissioners:** Chairman Kathleen A. "Cindy" Lewis, presiding  
Commissioner Mary Byrnes

Jim Roberts, Embarq (by telephone)

Office of Consumer Advocate (OCA): Dave McMullian, Denise Parrish,  
Ivan Williams

Commission Staff: Blair Bales, Chris Petrie, Art Schmidt, Barbara  
Taylor-Iversen

- 1. Docket No. 90072-28-XO-08 (Record No. 11690) Funding requirement and proposed assessment factor for the July 2008 to June 2009 fiscal year of the Wyoming Universal Service Fund (WUSF). Commission to discuss procedural issues.**  
Discussion amongst the parties concerned whether this matter should be treated in a contested-case format allowing intervention and participation by the utilities as well as the OCA. After discussion, Chris Petrie, Commission Chief Counsel, recommended the parties be allowed to intervene and provide comments on the portions of the WUSF Manager's Report to which they have access. He suggested a deadline of May 2, 2008, for intervention and filing of statements identifying the issues which would be considered at the open meeting scheduled for May 7, 2008. The public notice for the open meeting would also contain notice of a possible continuation of the hearing until May 12 or 13. Commissioner Byrnes moved to adopt the recommendation, and Chairman Lewis seconded the motion.

A full audio transcript is available upon request.

Next Open Meeting: Thursday, April 17, 2008, at 1:30p.m..

Prepared by: Deborah McFerrin

ACCEPTED and APPROVED by the Commission on the \_\_\_\_\_ day of June 2008.

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Kathleen A. "Cindy" Lewis, Chairman

**BEFORE THE PUBLIC SERVICE COMMISSION OF WYOMING**

Minutes of Regular Open Meeting

**Thursday, April 17, 2008**

**1:30 p.m.**

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**Commissioners:** Chairman Kathleen A. "Cindy" Lewis, presiding  
Deputy Chairman Steve Oxley  
Commissioner Mary Byrnes

J. D. Albrandt, customer of SourceGas Distribution, LLC (by telephone)  
Bruce Asay, counsel for Multiple Telecommunications Companies  
Bud Becker, SourceGas Distribution, LLC  
Alex Davison, counsel for Level 3 Communications, LLC  
Paul Downey, customer of SourceGas Distribution, LLC (by telephone)  
Greg Duvall, Rocky Mountain Power (by telephone)  
Verlyn Engler, SourceGas Distribution, LLC  
Eric Fritz, SourceGas Distribution, LLC  
Joseph Furay, SourceGas Distribution, LLC  
Teri Ikeda, Rocky Mountain Power (by telephone)  
Len Mize, SourceGas Distribution, LLC  
Dave Mosier, Rocky Mountain Power (by telephone)  
Dale Neal, customer of SourceGas Distribution, LLC (by telephone)  
Edie Ortega, CenturyTel  
Kelly Pearson, counsel for SourceGas Distribution, LLC  
Dan Solander, Rocky Mountain Power (by telephone)  
Greg Rogers, Level 3 Communications, LLC  
Larry Shuttlesworth, customer of SourceGas Distribution, LLC (by telephone)  
Cal Simshaw, CenturyTel (by telephone)  
Mark Tallman, Rocky Mountain Power (by telephone)  
Wayne and Sue Wilson, customers of SourceGas Distribution, LLC (by telephone)  
Liz Zerga, counsel for Range Telephone Companies

Office of Consumer Advocate (OCA): Bryce Freeman

Commission Staff: Vicky Hansen, Marchia Johansen, Shirley McCown, Steve Mink, Chris Petrie, Dave Piroutek, Barbara Taylor-Iversen, Dave Walker, Darrell Zlomke

**CONSENT AGENDA ITEMS**

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- 1. Docket No. 20000-322-EA-08 (Record No. 11712) Application of Rocky Mountain Power for approval of an accounting order to establish a regulatory asset and a motion for a protective order. Commission to consider and act on the company's Motion for a Protective Order.**

2. **Docket Nos. 70000-1371-TK-08 (Record No. 11660) Contract filing of Qwest Corporation for authority to enter into an unbundled network elements, ancillary services and resale connection agreement with Bandwith.com CLEC, LLC.** Chairman Lewis introduced the consent agenda items and asked if there were any requests to withdraw an item for further consideration. There were no such requests nor any further comments or questions. Steve Mink, Commission Counsel, recommended approval of both items by Order only, effective immediately. Deputy Chairman Oxley moved to accept the recommendation, and Commissioner Byrnes seconded the motion. Chairman Lewis concurred.

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### REGULAR AGENDA ITEMS

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1. **Docket No. 20000-318-EA-08 (Record No. 11638) Application of Rocky Mountain Power (RMP) for a certificate of public convenience and necessity for construction of a new 19.5 MW Seven Mile Hill II wind project. Commission to consider and act on the company's application and Petition for Confidential Treatment of certain information provided in support of the application.** Marci Norby and Dave Walker, Commission advisory staff (CAS), provided a technical memo dated April 15, 2008. Mark Tallman, RMP, said the company was fortunate enough to acquire 13 turbines from GE which will be ready for installation before the end of the year. He said these are in addition to the project already begun at Seven Mile Hill. Dave Lucero, Commission Counsel, said public notice was provided, and no requests for hearing or protests were received. There were no further comments or questions. Ms. Norby recommended approval of the application by Order only, effective immediately, and approval of the petition for confidential treatment. She also requested complete engineering specifications be provided by RMP when available and periodic construction reports be provided as required by Commission Rules. Deputy Chairman Oxley moved to act as recommended. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.
2. **Docket No. 70043-18-TA-07 (Record No. 11581) Application of Level 3 Communications, LLC, (Level 3) for a certificate for public convenience and necessity to provide local exchange services. Commission to consider and act on the joint Petition to Intervene filed by several telecommunications companies.** Bruce Asay, representing the petitioners to intervene, said there are concerns as to whether Level 3 would actually provide services in the requested area. Comments were provided by counsel for CenturyTel, Cal Simshaw, regarding practices of Level 3 in other states where they have been granted a similar certificate. Alex Davison, counsel for Level 3, pointed out that Wyoming statutes only require that the company possesses sufficient technical, financial and managerial resources to provide safe, adequate and reliable local exchange services within the identified geographic area.. Commissioner Byrnes moved for discussion purposes to deny the petition as it does not state a relevant complaint against the application for a certificate. Chairman Lewis agreed the intervention needs must state a cognizable issue under the statute which would, of necessity, concern the ability to provide the requested services. Deputy Chairman Oxley agreed and moved to

deny the petition. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.

3. **Docket No. 30022-107-GI-08 (Record No. 11610) Investigation, upon the Commission's own motion, of the billing practices and procedures of SourceGas Distribution, LLC, (SourceGas) and the impact on its customers. Commission to receive an update from SourceGas representatives about problems related to the Company's billing system and associated issues.** Representatives of SourceGas provided an update on the progress of rectifying the company's ongoing billing problems. After a discussion of the previously-existing problems and those which have arisen since the prior open meeting update, Commissioner Byrnes entered a motion requesting, in addition to the continued updates on resolution of customer billing problems, reports on the following: (1) summary of system troubles; (2) results of the outside audit; (3) status of the group bill and master deduct customers; (4) all expenses incurred as a result of the billing errors, and (5) the amount of penalties assessed against Accenture under its contract with SourceGas due to failure to meet performance requirements. Deputy Chairman Oxley seconded the motion, and Chairman Lewis concurred.
  
4. **Docket No. 30022-111-GA-08 (Record No. 11662) Application of SourceGas Distribution, LLC, for authority to abandon natural gas service to eight customers and eleven premises in the Shoshoni area in Fremont County, Wyoming. Company representatives to provide any relevant updates.** Bud Becker, SourceGas, reviewed the information provided as a result of the last open meeting and requested that the copies of customer letters be treated as confidential. Deputy Chairman Oxley moved to provide confidential treatment for the letters. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred. Chris Petrie, Commission Chief Counsel, said a procedural notice for a hearing in this docket has been published with the hearing to begin on Wednesday, June 11, 2008, at 9:00 a.m. in Riverton. Important deadlines set out in the notice include: May 2 for intervention or comments; May 9 for SourceGas' prefiled testimony and exhibits; May 27 for intervenors' prefiled testimony and exhibits; May 29 for submission of discovery requests; and June 9 for SourceGas' prefiled rebuttal testimony and exhibits. Mr. Petrie said he would advise the customers on how to properly file an intervention in the docket. No further action was taken at this time.

A full audio transcript is available upon request.

Next Open Meeting: Tuesday, April 22, 2008, at 1:30p.m..

Prepared by: Deborah McFerrin

ACCEPTED and APPROVED by the Commission on the \_\_\_\_\_ day of June 2008.

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Kathleen A. "Cindy" Lewis, Chairman

**BEFORE THE PUBLIC SERVICE COMMISSION OF WYOMING**  
Minutes of Regular Open Meeting

**Tuesday, April 22, 2008**  
**1:30 p.m.**

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**Commissioners:** Chairman Kathleen A. "Cindy" Lewis (by telephone)  
Deputy Chairman Steve Oxley, presiding  
Commissioner Mary Byrnes

Bob Lively, Rocky Mountain Power (by telephone)  
Mike McBride, Lower Valley Energy  
Dave Mosier, Rocky Mountain Power  
Kelley Pearson, SourceGas Distribution, LLC

Office of Consumer Advocate (OCA): Bryce Freeman

Commission Staff: Vicky Hansen, Dave Lucero, Luy Luong

**CONSENT AGENDA ITEMS**

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1. **Docket Nos. 70000-1370-TK-08 and 70033-25-TK-08 (Record No. 11659) Joint application of Qwest Corporation and 1-800-Reconex, Inc. d/b/a USTel for the State of Wyoming, for Commission authority to enter into a Rate Update Amendment to a Wireline Interconnection Agreement.**
2. **Docket No. 30022-111-GA-08 (Record No. 11662) Application of SourceGas Distribution, LLC, for authority to abandon natural gas service to eight customers and eleven premises in the Shoshoni area in Fremont County, Wyoming. Commission to consider issuance of a Special Order authorizing one commissioner or hearing examiner to conduct public hearing.**

Deputy Chairman Oxley introduced the consent agenda and asked if there were any requests to withdraw an item for further consideration. There were no requests, comments or questions. Vicky Hansen, Commission Counsel, recommended approval of Item 1 by Order only, effective immediately. For Item 2, Ms. Hansen recommended a Special Order be issued, effective immediately. Commissioner Byrnes moved to approve Staff's recommendations for Items 1 and 2, Chairman Lewis seconded the motion and Deputy Chairman Oxley concurred.

**REGULAR AGENDA ITEMS**

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1. **Docket No. 30018-37-GR-08 (Record No. 11628) Application of Lower Valley Energy, Inc., for approval of an overall net general rate increase of approximately \$27,439 per year for retail propane utility service in Wyoming. Jess Bottom,**

Commission Advisory Staff (CAS), provided a technical memo dated April 15, 2008. Michael McBride, Lower Valley Energy's Chief Financial Officer, stated the Company would like to offer four new rate classes, each of which would have a single rate as opposed to a declining block structure. The major reason for having four rate classes is due to the propane usage and the vast difference of usage by each customer. Mr. McBride stated they have one customer who uses 51% of the propane by himself. Jess Bottom, CAS, agreed and stated that by using four different rates for different size customers would be a more efficient way for the company to recover costs. There were no further comments or questions. Mr. Bottom recommended Lower Valley's application be approved on an interim basis with an effective date of April 22, 2008. Commissioner Byrnes moved to take action as recommended, Chairman Lewis seconded the motion and Deputy Chairman Oxley concurred.

2. **Docket No. 10003-27-CT-08 (Record No. 11656) Application of Garland Light & Power Co. for authority to change the rules and regulations for the sale of electric energy to its member-consumers served or to be served in the town of Ralston, Wyoming, and within the rural areas of Park and Big Horn counties.** Don Biedermann, CAS, provided a technical memo dated April 17, 2008. Mary Ann Keeler, Manager for Garland Light & Power Co., appeared via telephone and advised the Commission that most of the requested changes in front of them today have to do with updating labor and transportation charges. Discussion took place regarding the application and Ms. Keeler explained the attached exhibits. There were no further comments or questions. Mr. Biedermann recommended approval of the application as proposed by order only, effective immediately, and approval of the tariffs to be effective May 1, 2008. Commissioner Byrnes moved to take action as recommended, Chairman Lewis seconded the motion and Deputy Chairman Oxley concurred.

3. **Docket No. 20000-311-ET-07 (Record No. 11583) Application of Rocky Mountain Power to revise Line Extension Rule 12.** Don Biedermann, CAS, provided a technical memo dated April 17, 2008. Dave Mosier, Rocky Mountain Power, introduced Bob Lively, Manager of Service Area Issues for Rocky Mountain Power, who appeared via telephone. Mr. Mosier stated the purpose of this application is to address cost causation and fair rate design for load relinquishments and acquisitions. Mr. Mosier acknowledged High Plains Power intervened in this matter for purposes of supporting the application. Mr. Lively explained, in detail, the costs born by Rocky Mountain Power associated with receiving, reviewing and finalizing these types of service territory exchange applications. Lengthy discussion took place regarding Rocky Mountain Power's proposal to initiate a \$1,000 charge for recovery of the utility's legal costs caused by service territory exchange applications. There were no further comments or questions. Mr. Biedermann recommended approval of the application to revise the Line Extension Rule 12 and to table the request to recover costs involved in the service territory exchange applications until one year of data can be supplied to the Commission showing an actual history of costs. Commissioner Byrnes moved to take action as recommended, Chairman Lewis seconded the motion and Deputy Chairman Oxley concurred.

A full audio transcript is available upon request.

Next Open Meeting: Tuesday, April 29, 2008, at 9:30 a.m.

Prepared by: Angie Elliott

ACCEPTED and APPROVED by the Commission on the 3rd day of July, 2008.

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Kathleen A. "Cindy" Lewis, Chairman

**BEFORE THE PUBLIC SERVICE COMMISSION OF WYOMING**  
Minutes of Regular Open Meeting

**Tuesday, April 29, 2008**  
**9:30 a.m.**

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**Commissioners:** Chairman Kathleen A. "Cindy" Lewis, presiding  
Deputy Chairman Steve Oxley  
Commissioner Mary Byrnes

Tammi Aberle, Montana-Dakota Utilities (by telephone)  
Chris Dalley, complainant against Rocky Mountain Power  
Alex Davison, counsel for Level 3 Communications, LLC  
Walter Eggers, counsel for Bresnan Broadband of Wyoming, Inc.  
Michael Fox, RT Communications  
Mac Green, Level 3 Communications, LLC (by telephone)  
Dave Mosier, Rocky Mountain Power  
Rita Mulkern, Montana-Dakota Utilities (by telephone)  
Greg Rogers, Level 3 Communications, LLC (by telephone)  
Brad Samuels, Energy West Wyoming  
Jordan White, counsel for Rocky Mountain Power (by telephone)  
Liz Zerga, counsel for Range Telephone Companies

Commission Staff: Blair Bales, Michelle Bohannon, Don Biedermann,  
Vicky Hansen, Luy Luong, Dave Lucero, Steve Mink, Marci Norby Dave  
Piroutek, Dave Walker, Darrell Zlomke

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**CONSENT AGENDA ITEMS**

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1. **Commission to consider issuing a Special Order Authorizing One Commissioner or Hearing Examiner in the following dockets:**
  - a. **Docket No. 90072-27-XO-07 (Record No. 11122) Funding requirement and proposed assessment factor for the July 2007 to June 2008 fiscal year of the Wyoming Universal Service Fund (WUSF).**
  - b. **Docket No. 90072-28-XO-08 (Record No. 11690) Funding requirement and proposed assessment factor for the July 2008 to June 2009 fiscal year of the WUSF.**
  
2. **Docket No. 30018-39-GK-08 (Record No. 11720) Contract filing of Lower Valley Energy, Inc., for the Liquid Natural Gas Sales Agreement with ExxonMobil Gas and Power Marketing Company and Petition for Confidential Treatment. Commission to consider granting the Petition for Confidential Treatment and placing the contract in its confidential files.**
  
3. **Docket No. 30011-56-GK-08 (Record No. 11721) Contract filing of Energy West Wyoming of its confidential contract. Commission to consider granting the**

**Company's Petition for Confidential Treatment and placing the contract in its confidential files..**

- 4. Docket No. 90000-96-XI-07 (Record No. 11032) Commission's investigation on its own motion into the quality and reliability of service provided by telecommunications companies serving in and around the Lander-Riverton area, including Fort Washakie, Ethete and the Wind River Indian Reservation and surrounding areas. Commission to consider Dubois Telephone Exchange's Request for an Extension of Time to Comply with Order (Request).**

Chairman Lewis introduced the consent agenda items and asked if there were any requests to withdraw an item for further review. There were no such requests nor any comments or questions. Blair Bales, Commission Counsel, made the following recommendations: Item 1.a and 1.b, issue a Special Order as requested; Items 2 and 3, issue Letter Orders granting the petitions and placing the contracts in the Commissions confidential files with no ratemaking implications; and Item 4, issue a Letter Order approving the request. Deputy Chairman Oxley moved to take action as recommended. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.

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### **REGULAR AGENDA ITEMS**

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- 1. Docket No. 70043-18-TA-07 (Record No. 11581). Application of Level 3 Communications, LLC, (Level 3) for a certificate for public convenience and necessity to provide local exchange services. Commission to consider and act on the application.** Art Schmidt, Commission Advisory Staff (CAS), provided a technical memo dated April 18, 2008. Alex Davison, counsel for Level 3, said the current application is to extend the company's territory from only Qwest territories to statewide. He said Level 3 has demonstrated the technical expertise, managerial experience and financial capability to provide the service. Greg Rogers, Level 3, added that the company will focus on business rather than residential services. There were no further comments or questions. Steve Mink, Commission Counsel, recommended approval of the application by Order only, effective immediately. Deputy Chairman Oxley moved to accept the recommendation. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.
  
- 2. Docket No. 30011-55-GP-08 (Record No. 11697) Amended application of Energy West Wyoming for authority to pass on a net wholesale gas increase of \$0.7106 per MCF. Commission to consider and act on the application.** Marci Norby and Michelle Bohanan, CAS, provided a technical memo dated April 23, 2008. Brad Samuels, Energy West Wyoming, explained this is a regular annual adjustment. Mr. Samuels responded to Commission and staff questions regarding pricing strategies and reduction of the company's overcollection in its commodity balancing account. He said Energy West is changing its corporate structure and will no longer be a cooperative. There were no further comments or questions. Ms. Norby recommended approval of the application by Notice and Order, effective immediately, for usage on and after May 1, 2008, and she also recommended requesting an update on the commodity balancing account on or before November 1, 2008. Commissioner Byrnes moved to accept the staff

recommendation. Deputy Chairman Oxley seconded the motion, and Chairman Lewis concurred.

3. **Docket No. 20000-323-EA-08; 10014-102-EA-08 (Record No. 11717). Petition of Rocky Mountain Power (RMP) for approval of an amendment to the stipulation and agreement with Powder River Energy Corporation (PRECorp) and Rio Tinto Energy America Inc., f/k/a Kennecott Energy Company. Commission to consider and act on the Petition.** Darrell Zlomke, CAS, provided a technical memo dated April 23, 2008. Dave Mosier of RMP said the amendment would change the rates in its contract with Kennecott to reflect increases approved in recent rate cases. He said the charges, pursuant to a settlement agreement in an earlier PRECorp/RMP/Kennecott case before the Commission, are to recover from Kennecott only (so long as the Antelope Mine operations in Converse County are served by PRECorp) the costs of administration and will be returned to customers in the next rate case as a revenue credit. There were no further comments or questions. Mr. Zlomke recommended approval of the petition by Order only, effective immediately, for service on and after May 1, 2008. Deputy Chairman Oxley moved to take action as recommended. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.
4. **Docket No. 20000-277-ER-07 (Record No. 11249) Application of Rocky Mountain Power for approval of a general rate increase of approximately \$36.1 million per year for retail electric utility service in Wyoming, and for approval of a new Renewable Resource Mechanism and Marginal Cost Pricing tariff. Commission to consider accepting the Company's compliance tariffs.** Marci Norby, CAS, provided a technical memo dated April 24, 2008. Ms. Norby said the tariffs have been reviewed by Commission staff, the OCA and other intervenors in the docket, and a few administrative corrections were made. Ms. Norby also verified the filing was compared to the final Order in the docket for compliance. There were no further comments or questions. Dave Lucero, Commission Counsel, recommended approval of the tariff for usage on and after May 1, 2008. Deputy Chairman Oxley moved to accept the tariffs and issue a cover letter to be signed by counsel and technical staff which would have the affect of stating Commission approval. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.
5. **Docket No. 30013-202-GP-08 (Record No. 11711) Application of Montana-Dakota Utilities Co. (MDU) for authority to pass on a wholesale gas cost increase of \$0.431 per decatherm for Residential General Service, Small and Large Interruptible customers and an increase of \$0.439 for Optional Seasonal customers. Commission to consider and act on Application and Petition for Confidential Treatment of Exhibit 3A.** Jess Bottom, CAS, provided a technical memo dated April 24, 2008. Rita Mulkern of MDU said the application represents a regular adjustment for the month of May, will not increase the company's rate of return, and complies with Commission Rules 249 and 250. She also requested confidential treatment of Exhibit 3A as it contains proprietary information. There were no further comments or questions. Blair Bales, Commission Counsel, recommended approval of the application by Notice and Order, effective immediately, for usage on and after May 1, 2008, and also recommended approval of the petition for confidential treatment. Deputy Chairman Oxley moved to

take action as recommended. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.

- 6. Docket No. 30013-201-GT-08 (Record 11688) Application of Montana-Dakota Utilities Co. for approval of a Conservation Tracking Adjustment. Commission to consider and act on this application.** Don Biedermann, CAS, provided a technical memo dated April 25, 2008. Tammi Aberle of MDU said this filing represents the second adjustment to be implemented under the conservation program tracking mechanism to recover expenses for the program's second year. Ms Aberle responded to Commission questions regarding program costs and participation. Mr. Biedermann suggested preparing a summary at the end of the upcoming third year showing program statistics. There were no further comments or questions. Mr. Biedermann recommended approval of the application by Order only, effective immediately, for usage on and after May 1, 2008. Deputy Chairman Oxley moved to take action as recommended, and Commissioner Byrnes seconded the motion. Chairman Lewis concurred.
- 7. Docket Nos. 70114-19-TA-08 and 700015-60-TA-08 (Record No. 11591). Application of Bresnan Broadband of Wyoming, LLC, (Bresnan) for a Certificate of Public Convenience and Necessity to provide local exchange telecommunications services in the areas presently served by RT Communications, Inc., and for recognition of status as a competitive carrier providing competitive services pursuant to W.S. § 37-15-202(c). Commission to consider and act on application.** Luy Luong, CAS, provided a technical memo dated April 22, 2008. Walter Eggers, counsel for Bresnan, said he believes Bresnan has demonstrated the technical, managerial and financial resources required by law to provide safe, adequate and reliable local exchange services in the requested areas. Liz Zerga, counsel for RT Communications, said RT Communications does recognize the reasons its petition for intervention in this docket was denied and is discussing its concerns with Bresnan. There were no further comments or questions. Mr. Luong recommended granting the application for a certificate and the petition for confidential treatment of financial information by Order only, effective immediately. He also recommended recognition of Bresnan as a competitive carrier under Section 202(c) of the Wyoming Telecommunications Act. Deputy Chairman Oxley moved to take action as recommended. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.
- 8. Docket No. 20000-312-EC-08 (Record No. 11608). Complaint filing by Chris Dalley of Grass Valley Subdivision against Rocky Mountain Power requesting a formal hearing regarding the move of electrical facilities. Commission to consider and act on the Joint Motion for Continuance.** Jordan White of RMP said that, since the formal hearing on April 15, the complainant and RMP personnel have met and are currently working on an agreement which would address Mr. Dalley's concerns. As a result, the parties are requesting an extension of 60 days to continue negotiations. Dave Walker, Commission Engineering Staff, said he has reviewed the new information provided and will be making an on-site inspection in the near future. There were no further comments or questions. Vicky Hansen, Commission Counsel, recommended approval of the joint motion by Letter Order, effective immediately, for an extension of 60 days to and

including July 1, 2008. Deputy Chairman Oxley moved to take action as recommended. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.

A full audio transcript is available upon request.

Next Open Meeting: Wednesday, April 30, 2008, at 1:30 p.m..

Prepared by: Deborah McFerrin

ACCEPTED and APPROVED by the Commission on the 3<sup>rd</sup> day of July 2008.

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Kathleen A. "Cindy" Lewis, Chairman