

WYOMING PUBLIC SERVICE COMMISSION

Minutes of Regular Open Meeting
Tuesday, April 5, 2016
1:30 p.m.

Commissioners: Chairman Alan B. Minier
Deputy Chairman William F. Russell
Commissioner Kara Brighton

Kristin Lee, Director of Regulatory Affairs, CenturyLink
Ronnie Lopez, Attorney, Holly Frontier Refining, LLC (by telephone)
Andrea Earhart, McCarty, Reed & Earhart, LC, Counsel for Juby's LLC (by telephone)
Chuck Lancaster, Manager, Juby's LLC (by telephone)

Commission Staff (CS): Tom Wilson, Sara Miller, Shirley McCown, Luy Luong, Lori Brand, John Burbridge, Marci Norby, Dave Walker and Chris Petrie

CONSENT AGENDA

1. **Undocketed: Open meeting minutes for review by the Commission for the regular open meetings of January 19, March 1, 2 and 8, 2016, as prepared by Barbara Tomlinson.**
2. **Docket Nos. 70000-1625-TK-16, 70023-123-TK-16 and 70227-3-TK-16 (Record No. 14329). Contract filing of Qwest Corporation, d/b/a CenturyLink QC for authority to enter into unbundled network elements, ancillary services and resale of telecommunications services interconnection agreement with McLeodUSA Telecommunications Services, LLC, and Windstream NuVox, LLC. Commission to consider and act on Agreement.** Tom Wilson, CS, provided a technical *Memo* dated March 31, 2016.
3. **Docket Nos. 70009-466-TK-16 and 70222-19-TK-16 (Record No. 14330). Contract filing of United Telephone Company of the West d/b/a CenturyLink for authority to enter into an Interconnection, Master Resale Agreement with dishNet Wireline, L.L.C. Commission to consider and act on Agreement.** Tom Wilson, CS, provided a technical *Memo* dated March 31, 2016.
4. **Docket Nos. 20002-98-EA-15; 20003-145-EA-15; 30005-208-GA-15 and 30011-92-GA-15 (Record No. 14241). Joint Application of Cheyenne Light, Fuel and Power Company; Black Hills Northwest Wyoming Gas Utility Company LLC d/b/a Black Hills Energy and Black Hills Power, Inc., for approval of Cost of Service Gas Hedge Agreement and other relief. Commission to consider and act on Cheyenne Light, Fuel and Power Company; Black Hills Northwest Wyoming Gas Utility Company LLC d/b/a Black Hills Energy and Black Hills Power, Inc.'s *Motion for Admission Pro Hac Vice (Motion)* of Cameron L. Sabin.**

5. **Docket No: 20003-148-EP-16 (Record No. 14324). Application of Cheyenne Light, Fuel and Power Company d/b/a Black Hills Energy for authority to pass on a power cost adjustment decrease of \$0.00214 per kWh for the period April 1, 2016 through March 31, 2017. Commission to consider and act on:**
 - a. **Dyno Nobel, Inc.’s *Petition for Leave to Intervene (Petition)*; and**
 - b. **HollyFrontier Cheyenne Refining LLC’s *Petition to Intervene (Petition)***

Chairman Minier introduced the consent items. For Item #1, Deputy Chairman Russell moved to approve the *Minutes* as written. Commissioner Brighton seconded the motion and Chairman Minier concurred. For Items #2 and #3, Lori Brand, Commission Counsel, recommended accepting the *Agreements* for filing, for Item #4, granting the *Motion* and for Item #5, granting the *Petitions*, all by *Order* only, effective immediately. Deputy Chairman Russell moved to act as recommended. Commissioner Brighton seconded the motion and Chairman Minier concurred.

REGULAR AGENDA

1. **Docket No. 70000-1624-TT-16 (Record No. 14310). Tariff filing of Qwest Corporation d/b/a CenturyLink QC (CenturyLink QC) to revise the language for the Convenience Fee Charges assessed by CenturyLink QC. Commission to consider and act on tariff filing and *Petition for Confidential Treatment (Petition)*. Kristin Lee, Regulatory-Legislative Affairs Director, to appear for CenturyLink QC.** Tom Wilson, CS, provided a technical *Memo* dated March 30, 2016. Kristin Lee, CenturyLink’s Director of Regulatory Affairs, provided an overview of the request to add convenience fees for one time debit and credit card transactions, and to lower fees for using a live representative. She said CenturyLink contracted with Western Union to handle the fees because of its expertise in this type of service and that Western Union is paid through the fees. Lee confirmed the fees went into effect nationwide on February 5, 2016, prior to CenturyLink requesting approval of the fees from the Commission. She apologized for this error and stated that CenturyLink will reimburse Wyoming customers from February 5, 2016, until the fees are approved in Wyoming. She also noted Commission staff was sent a list of the affected customers. Lee explained that customers who pay with a credit or debit card on a recurring basis, or who contract for a landline with a deposit, will not be charged this fee. Deputy Chairman Russell said he found most companies charging this type of fee had lower fees than CenturyLink. Lee replied the fee is higher because it is spread over a smaller number of customers. She said CenturyLink has over 2 million transactions per month, but is only charging fees for approximately 1.4 million one-time users in 37 states. Finally, Lee confirmed verbiage regarding interactive voice response will be changed to make all references consistent. Commissioner Brighton inquired about CenturyLink’s efforts to review its price schedules to conform to the new Commission Rules. A discussion followed regarding timeframes for conformance with Commission requirements. There were no further questions or comments. Sara Miller, Commission Counsel, recommended approval of the application for use on and after April 6, 2016, with the understanding the Company will provide an amended price schedule with changes as discussed, make a compliance filing with the Commission confirming reimbursement to the Wyoming customers for payment of fees made prior to April 6, 2016, and that the reimbursement payments be made within 30 days of the effective date. In addition, Miller

recommended granting the *Petition*. Both recommendations to be by *Notice and Order*, effective immediately. Deputy Chairman Russell moved to act as recommended. Commissioner Brighton seconded the motion and Chairman Minier concurred.

2. **Docket No. 80028-1-WI-14 (Record No. 13809): Investigation, upon the Commission's own Motion, to determine if Juby's Mobile Home Park, LLC, Jay Walker, or any related person or entity is operating as a water utility as defined in W.S. § 37-1-101(a)(vi)(E) without authority, and/or is otherwise operating in violation of Title 37 of the Wyoming Statutes, Commission Rules, or lawful orders of the Commission. Commission to consider the Affidavit of Chuck Lancaster and sample bills filed by Juby's Mobile Home Park, LLC (Juby's) on March 16, 2016, and take such action as the public interest may require.** Luy Luong, CS, provided a technical *Memo* dated April 1, 2016. Chris Petrie, Chief Counsel, provided an overview of the docket item stating the Commission received complaints from Juby Mobil Home Park (Juby) customers approximately two years ago. He explained the manager at the time sent a letter to all of Juby's tenants that water service would be disconnected due to nonpayment by some of the tenants. He said Commission Staff subsequently contacted the manager and other public officials with the City of Cody and the manager agreed not to shut off or discontinue of service. Petrie said after this time, it became difficult to contact any Juby representative. He concluded that shortly after the Commission contacted the manager, Juby ceased charging a separate fee for water which was provided through the City of Cody by master meter. Petrie explained the Commission recently received an affidavit from Chuck Lancaster, Juby's new manager, showing that Juby customers were no longer being charged a separate fee for water. Andrea Earhart, Chuck Lancaster's counsel, confirmed that there had been no charge for water since May 2014, when Lancaster became manager. She also requested closure of the investigation. There were no questions or comments. Petrie recommended the investigation be closed by *Order* only, effective immediately. Deputy Chairman Russell moved to act as recommended. Commissioner Brighton seconded the motion and Chairman Minier concurred.

Prepared by: Barbara Tomlinson

Date of Next Open Meeting: Tuesday, April 12, 2016

ACCEPTED and APPROVED by the Commission on May 26, 2016.

Chairman Alan B. Minier

WYOMING PUBLIC SERVICE COMMISSION

Minutes of Regular Open Meeting
Tuesday, April 12, 2016
1:30 p.m.

Commissioners: Chairman Alan B. Minier
Deputy Chairman William F. Russell
Commissioner Kara Brighton

Paul Hickey, Hickey and Evans, LLP, Local Counsel for SourceGas
Distribution, LLC (SGD)
Jerrad Hammer, Director of Regulatory Services, SGD
Eric Nelson, Corporate Counsel, SGD
Mike Easley, CEO, Powder River Energy Corporation (PRECorp)
Joanne Kolb, Chief Financial Officer, PRECorp

Office of Consumer Advocate (OCA): Ivan Williams and Anthony
Ornelas

Commission Staff (CS): John Burbridge, Marci Norby, Melisa Mizel and
Chris Petrie

REGULAR AGENDA

- Docket No. 30022-260-GA-15 (Record No. 14302). Application of SourceGas Distribution LLC for creation of a regulatory asset comprised of the net buyout costs associated with terminating the P-0802 contract and related gas gathering agreement, effective no later than April 15, 2016, and revised motion for a two month extension of the effective date of the next transportation rate adjustment rate change (*Motion*). Commission to consider and act on SourceGas Distribution LLC's application and *Motion*.** Marci Norby and Melisa Mizel provided a technical *Memo* dated March 9, 2016. Eric Nelson, provided a summary of the application and history of the P-0802 contract. He explained the contract with WBI (the company that owns the gas gathering system through which the purchased gas must pass) would be terminated at the same time as the P-0802 contract. Nelson stated termination of the contract would provide substantial benefits to customers by creating rate certainty and stability and eliminate risk of increased gas supply from possible enhanced production by Noble Energy resulting in higher gas costs for SGD's customers. Jerrad Hammer provided details about SGD's request for Commission approval of the creation of a regulatory asset and asked the Commission to establish a five year amortization period for recovery of the asset through the Company's Torrington Transportation Rate Adjustment (TRA) surcharge. He requested to exclude it from determination of the Company's rate base because it is being financed from 100% debt and is not appropriate to put in rate base components. He explained the tariff changes to the TRA are to recover the amortization in the TRA rate. Hammer noted that the revised *Motion* for a two month extension is because the loan will be executed in May or June and this will give the Company time to get the debt instrument in place, determine all associated costs, and make a compliance filing. Deputy Chairman Russell asked how the debt would be issued. Hammer responded that SourceGas Distribution is now Black Hills Gas Distribution, but the debt is issued at Black Hills Corporation. Hammer said the Company

is willing to provide the loan documents confidentially to the Commission. Commissioner Brighton asked about the TRA true-up. Hammer confirmed the TRA true-up historically occurs annually in June, but the Company wants to delay implementation until August 1 for 2016 only. In subsequent years, he noted, the Company will revert to its normal June filing dates. Ivan Williams, OCA, said OCA filed comments in this docket and does not oppose this application. There were no further questions or comments. John Burbridge, Commission Counsel, recommended approval of the application with a compliance filing as discussed, and granting the *Motion by Order* only, effective immediately. Deputy Chairman Russell moved to act as recommended. Commissioner Brighton seconded the motion and Chairman Minier concurred.

2. **Undocketed: Commission to receive update presentation from Powder River Energy Corporation (PRECorp) regarding risk management. Anticipated topics include:**
 - a. **Changes to PRECorp door noting and disconnect procedure**
 - b. **Member Bankruptcy activity**
 - c. **Account Receivable Insurance**
 - d. **Objective Credit Screen process**
 - e. **Availability or financial information from privately held companies**
 - f. **Reduction of time required to render bills for commercial accounts**
 - g. **Efforts to seek “mutually agreeable resolution” to situations involving perceived payment risk.**

Mike Easley, PRECorp’s CEO, distributed a handout to the Commissioners and Joanne Kolb, PRECorp’s Chief Financial Officer, provided further details.

Regarding Item 2a, Kolb noted the disconnect process can take up to a month to complete from past due to disconnect exposing the Company to excessive uncollectible accounts payable. To reduce this exposure, PRECorp is working to separate its residential and commercial disconnection processes to allow tracking the 3 and 7 day notice requirements specific to residential and commercial accounts, respectively. She said door-noting for follow ups will be replaced in the winter with telephone calls. She said this will save the membership approximately \$32,000 and reduce the amount of time from a risk perspective to complete the process from delinquency to disconnection.

Regarding Item 2b, Kolb commented about member bankruptcies, noting Argent Energy Trust is the most recent to file. Commissioner Brighton inquired about the level of activity PRECorp has in pending bankruptcy proceedings. Easley explained that with regard to Alpha bankruptcy there are motions PRECorp has been paying attention to because the Company has an interest in them as Alpha’s assets are sold off and liquidated. He also explained PRECorp has an interest in prepositioned contracts and the obligations of Alpha under those contracts and, as a result, has been tracking issues related to those contracts. Easley said with respect to the Arch Coal bankruptcy, all security deposit issues were resolved prior to the bankruptcy filing.

Regarding Item 2c, Kolb researched whether accounts receivable insurance would be a viable option for PRECorp to provide fund level protection for its membership. She said some drawbacks are that the insurance company could drop PRECorp at any time or reduce coverage and noted a high risk rider could be requested but would be cost prohibitive. She said PRECorp would not pursue this option at this time.

Regarding Item 2d, Kolb said the Company lacks a process to determine a robust enough credit model for its membership. Therefore, the Company has engaged a consultant to develop a credit scoring screen that is objective and measurable so that each member can be looked for clear creditworthiness. Easley said management has had to advise the board about these unanticipated expenditures, including legal expenses, associated with bankruptcies. He noted due to the level of legal activity, management has increased its level of transparency at the board level. Commissioner Brighton noted PRECorp might consider inclusion of the creditworthiness requirements into the tariff, which would save the Company from repeatedly coming to the Commission for approval.

Regarding Item 2e, Kolb said financial statements from PRECorp's members will be used to develop key metrics and measurements, which will, in turn, be used to ultimately set benchmarks to create an objective credit model. She said the Company has requested three years of financials from its top 50 members. If there is hesitation to provide the financials as requested, the members will have the opportunity to pay a 60 day deposit instead. If the member declines either option, PRECorp could come to the Commission and request a deposit be approved.

Regarding Item 2f, Kolb said billing cycle changes and restructuring rendering bills will be pursued by PRECorp to get the bills to their members as soon after the consumption period as possible. Under the Company's current practice, 16 days pass after the consumption period to get bill to its customers creating great risk to PRECorp. Kolb said payment terms would stay at 20 days and the 60 day deposit requirement would cover this exposure created by the 16 day period. She also said PRECorp will work with members concerned with the 60 day deposit through a member agreement providing for shorter payment terms and a reduced deposit coinciding with the shorter payment term. Finally, to reduce the 16 day exposure period, she explained the Company is reworking its software, rearranging revenue coverages, and looking at all the meters to determine when it is best to render a bill while attempting to minimize impact to the members. Operationally, she also wants to ensure costs are not increasing with too much site work reprogramming meters or other similar work. Easley provided an example about proactively reading meters to find those not working before a bill must be rendered. A discussion followed about billing cycles, meter reading and how bills are rendered at different times of the month.

Regarding Item 2g, Easley discussed how PRECorp was managing risk in the current economic environment, stating that northeast Wyoming's economy is in a free fall. He said the earliest indicator of the weak economy could be seen by comparing the amount of power PRECorp purchased from Basin Electric in March of 2015 to March of 2016. Easley stated that 2016's bill was 22% lower than 2015. In addition, he noted PRECorp anticipated, in its budgeting for 2016, a 5% decline and that there was a 4.2% decline at the end of 2015. Easley stated these numbers show the Company's budget heading in the wrong direction. PRECorp's response when the Company saw how things were unfolding at end of 2015 was to begin an initiative to find financial solutions. He said the Company built a virtual data room to house a variety of information for 30 participants to post and

read. He explained the Company would host a retreat with the participants to share their thoughts and observations with the objective being to end up with three financial landscape scenarios for the Company's future. From those scenarios, a matrix of the identified risks and opportunities would be created and a list of initiatives developed for PRECorp to enact in 2017, putting PRECorp on a sustainable path for the future in Wyoming's new challenging economic environment. Easley also explained PRECorp has initiated employee and management programs challenging staff to find savings for the Company. Easley concluded PRECorp will keep the Commission informed and come in whenever there is anything meaningful to share.

Chairman Minier thanked PRECorp for the presentation. No action by the Commission was required.

Prepared by: Barbara Tomlinson

Date of Next Open Meeting: Thursday, April 21, 2016

ACCEPTED and APPROVED by the Commission on June 23, 2016.

Chairman Alan B. Minier

WYOMING PUBLIC SERVICE COMMISSION

Minutes of Regular Open Meeting
Thursday, April 21, 2016
1:30 p.m.

Commissioners: Chairman Alan B. Minier
Commissioner Kara Brighton

Jerrad Hammer, Director - Regulatory Services, Black Hills Energy
(BHE) (by telephone)

Bill Meckling, Manager-Regulatory Affairs, BHE (by telephone)

Harry Ono, Senior Manager - Gas Supply Planning and Forecasting, BHE
(by telephone)

Commission Staff (CS): Marci Norby, Luy Luong, John Burbridge, Sara
Miller, Lori Brand, Dave Walker, Perry McCollom, Tom Wilson,
Steve Mink, Michelle Bohanan, Kara Seveland and Morgan Kikendall

CONSENT AGENDA

1. **Undocketed: Open meeting minutes for review by the Commission for the regular open meetings of December 29, 2015, and March 15 and 25, 2016 as prepared by Barbara Tomlinson.** Chairman Minier introduced Consent Item #1. Commissioner Brighton moved to approve the minutes as written. Chairman Minier seconded the motion.
2. **Docket No. 20003-149-EA-16 (Record No. 14326).** Application of Cheyenne Light, Fuel and Power Company d/b/a Black Hills Energy for a Certificate of Public Convenience and Necessity to construct and operate the King Ranch Electric Substation and related facilities in Laramie County, Wyoming. Commission to consider and act on Cheyenne Light, Fuel and Power Company d/b/a Black Hills Energy's *Motion Pro (sic) Admission Pro Hac Vice of Douglas J. Law (Motion)*.
3. **Docket No. 20003-146-ET-15 (Record No. 14242).** Application of Cheyenne Light, Fuel and Power Company d/b/a Black Hills Energy for authority to establish a large power contract service tariff. Commission to consider and act on Cheyenne Light, Fuel and Power Company d/b/a Black Hills Energy's *Motion for Admission Pro Hac Vice of Todd L. Brink (Motion)*.
4. **Docket No. 10014-168-CR-16 (Record No. 14314).** Application of Powder River Energy Corporation for authority to implement a general rate increase of \$11,506,749 per annum and revise tariff. Commission to consider and act on Carbon Creek Energy LLC's *Motion for Application for Admission of Pro Hac Vice of Thorvald A. Nelson and Ann E. Hopfenbeck (Motion)*.
5. **Docket No. 20000-492-EA-16 (Record No. 14346).** Application of Rocky Mountain Power to decrease current rates by \$2.7 million to recover deferred net power costs pursuant to Tariff Schedule 95 and to increase rates by \$50 thousand pursuant to

Tariff Schedule 93. Commission to consider and act on:

- a. **Wyoming Industrial Energy Consumers' *Petition to Intervene and Request for Hearing (Petition)***;
 - b. **Issuance of a *Special Order Authorizing One Commissioner and/or Presiding Officer to Conduct Public Hearing***.
6. **Docket Nos. 74006-264-TA-15 and 74007-50-TA-15 (Record No. 14072). Notification of Teleconnect Long Distance Services and Systems Company, Inc. to cancel their Certificate of Public Convenience and Necessity. Commission to consider acceptance for filing of the notice of cancellation.**
7. **Docket No. 74353-2-TA-16 (Record No. 14350). Notification of Globalinx Enterprises, Inc. to cancel their Interexchange Registration. Commission to consider acceptance for filing of the notice of cancellation.**
8. **Docket Nos. 70200-17-TA-16, 70242-4-TA-16, 74140-16-TA-16 and 74712-3-TA-16 (Record No. 14353). Notification of Matrix Telecom, Inc. and TNCI Operating Company, LLC requesting the reorganization of Matrix Telecom, Inc. to Matrix Telecom LLC; the transfer of customers from TNCI Operating Company, LLC to Matrix Telecom, LLC; and, the cancellation of TNCI Operating Company, LLC's Certificate of Public Convenience and Necessity. Commission to consider acceptance for filing of the notice of cancellation.**
9. **Docket Nos. 20002-98-EA-15; 20003-145-EA-15; 30005-208-GA-15 & 30011-92-GA-15 (Record No. 14241). Joint Application of Cheyenne Light, Fuel and Power Company; Black Hills Northwest Wyoming Gas Utility Company LLC d/b/a Black Hills Energy and Black Hills Power, Inc., (collectively the Companies) for approval of Cost of Service Gas Hedge Agreement and other relief. Commission to consider and act on the Companies' *First Supplemental Petition for Confidential Treatment (Petition)*.**

Chairman Minier introduced the remainder of the consent items. For Items #2, #3 and #4, John Burbridge, Commission Counsel, recommended granting the *Motions*, all by *Order* only, effective immediately. For Items #5a and 5b, Burbridge recommended granting the *Petition* and issuance of an *Order* by *Order* only, effective immediately. For Items #6, #7 and #8, he recommended acceptance of the *Notices* by *Order* only, effective immediately. Finally, for Item #9, he recommended granting the *Petition* by *Order* only, effective immediately. Commissioner Brighton moved to act as recommended and Chairman Minier seconded the motion.

REGULAR AGENDA

1. **Docket No. 30022-266-GT-16 (Record No. 14351). Application of Black Hills Gas Distribution LLC d/b/a Black Hills Energy f/k/a SourceGas Distribution LLC (BHE) for authority to change certain provisions of its Wyoming PSC Tariff No. 1.**

Commission to consider and act on Application. Dave Walker, CS, provided a technical *Memo* dated April 14, 2016. Jerrad Hammer, BHE's Director – Regulatory Services, explained the changes to Tariff No. 1 will clarify references, provide general language cleanup, and specify changes to scheduling and nomination cycles (especially for Casper) to bring them into alignment with the upstream Brook pipeline. The changes are designed to make it easier for shippers to understand BHE's tariffs. Commissioner Brighton asked if one of the reasons for this application is to conform to the actions taken by FERC. Hammer answered yes and said BHE referenced FERC orders 587W and 809 dealing with start of gas day and nomination cycles nationwide to ease pipeline constraints. There were no further questions or comments. Sara Miller, Commission Counsel, recommended approval of the application for use on and after April 25, 2016, by *Notice and Order*, effective immediately. Commissioner Brighton moved to act as recommended and Chairman Minier seconded the motion.

2. **Docket No. 30005-212-GT-16 (Record No. 14357). Application of Cheyenne Light, Fuel and Power Company d/b/a Black Hills Energy (BHE), for authority to revise the nomination times for the Gas Transportation Service. Commission to consider and act on Application.** Dave Walker, CS, provided a technical *Memo* dated April 15, 2016. Bill Meckling, BHE's Manager – Regulatory Affairs, explained the revisions in the tariffs and stated BHE notified shippers via its electronic bulletin board that it would align nominations for gas service with the new FERC rules as of April 1, 2016. He also stated the Company was requesting a waiver of the time and nomination procedure existing in its current tariff. Chairman Minier asked staff about the waiver. Lori Brand, Commission Counsel, then asked about the required compliance filings for April 1, 2016. Meckling stated he was not sure FERC could order the Company to comply. Brand clarified it is not the Commission's responsibility to ensure the Company complies with FERC tariffs in a timely manner and Meckling said that was his understanding as well. Brand thought it unnecessary to grant a waiver from April 1, 2016. Walker asked if there have been any disruptions with supply or problems with the new nomination process since April 1. Harry Ono, BHE's Senior Manager - Gas Supply Planning and Forecasting, confirmed there have been no issues with any customers that transport to the Company's systems. Brand recommended approval of the application for use on and after April 25, 2016, by *Notice and Order*, effective immediately. Commissioner Brighton moved to act as recommended and Chairman Minier seconded the motion.
3. **Docket No. 30003-68-GT-16 (Record No. 14358). Application of Black Hills Energy (BHE), a division of Cheyenne Light, Fuel and Power Company, for authority to revise the nomination times for the Gas Transportation Service. Commission to consider and act on Application.** Dave Walker, CS, provided a technical *Memo* dated April 15, 2016. Bill Meckling, BHE's Manager – Regulatory Affairs, explained that all of the conditions and circumstances in this docket item are identical to the previous docket item. Commissioner Brighton asked if pursuant to FERC 809 the applications should have been received on February 1, 2016, rather than March 31, 2016. Meckling said he thought BHE should have filed well before it did. Walker asked the same question about any operational constraints from April 1 until today and Mr. Ono, Senior Manager - Gas Supply Planning and Forecasting, confirmed there have been no issues complying with FERC order 809. Lori Brand, Commission Counsel, recommended approval of the application for use on and after April 25, 2016 by *Notice and Order*, effective immediately, and

denying the waiver as unnecessary. Commissioner Brighton moved to act as recommended and Chairman Minier seconded the motion.

Prepared by: Barbara Tomlinson

Date of Next Open Meeting: Thursday, April 28, 2016

ACCEPTED and APPROVED by the Commission on June 23, 2016.

Chairman Alan B. Minier

WYOMING PUBLIC SERVICE COMMISSION

Minutes of Regular Open Meeting
Thursday, April 28, 2016
1:30 p.m.

Commissioners: Chairman Alan B. Minier
Deputy Chairman William F. Russell
Commissioner Kara Brighton

Bruce Asay, Associated Legal Group, LLC, Local Counsel for Montana-Dakota Utilities Company (MDU)
Stephanie Bosch, Regulatory Affairs, MDU (by telephone)
Jon Thurber, Manager of Regulatory Services, Black Hills Northwest Wyoming Gas Utility d/b/a Black Hills Energy (BHE) (by telephone)
Bruce Asay, Counsel, Associated Legal Group, LLC, Local Counsel for Pinedale Natural Gas (PNG)
Steve Shute, President, PNG (by telephone)
Pat Harrington, Corporate Secretary, Idaho Power Company (IPC) (by telephone)
Melodie Sanford, Cash Management Specialist, IPC (by telephone)
Travis Jacobson, Regulatory Analysis Manager, MDU (by telephone)

Commission Staff (CS): Steve Mink, Sara Miller, Michelle Bohanan, Kara Seveland, Morgan Kikendall, Michelle Bohanan, John Burbridge, Luy Luong, Jess Bottom, Lori Brand and Rachel Meeker

CONSENT AGENDA

1. **Docket No. 20000-492-EA-16 (Record No. 14346). Application of Rocky Mountain Power to decrease current rates by \$2.7 million to recover deferred net power costs pursuant to Tariff Schedule 95 and to increase rates by \$50 thousand pursuant to Tariff Schedule 93. Commission to consider and act on:**
 - a. **Wyoming Industrial Energy Consumers' *Motion for Admission Pro Hac Vice of Robert M. Pomeroy, Jr. and Thorvald A. Nelson (Motion)*;**
 - b. **Rocky Mountain Power's *Petition for Confidential Treatment and Protective Order (Petition)*.**

Chairman Minier introduced the consent item. Steve Mink, Commission Counsel, recommended granting the *Motion* and *Petition* by *Order* only, effective immediately. Deputy Chairman Russell moved to act as recommended. Commissioner Brighton seconded the motion and Chairman Minier concurred.

REGULAR AGENDA

1. **Docket No. 20004-115-ET-16 (Record No. 14348). Application of Montana-Dakota Utilities Co. for authority to revise avoided costs applicable under its Parallel Generation Rate 57. Commission to consider and act on application and *Petition for***

Confidential Treatment (Petition). Michelle Bohanan, CS, provided a technical *Memo* dated April 22, 2016. Stephanie Bosch, MDU's Regulatory Affairs Manager, explained the application is to revise and update the Rate 57 tariff to reflect purchase power costs under the Black Hills Purchase Power Agreement and the fuel and variable costs of Wygen III which is based on a weighted average cost. She also said there is an increase in the avoided cost to capacity. Bosch said the revision will affect 32 customers under the Net Metering Rate 58. In 2015, she commented, seven of those customers generated more power than they used. There were no further questions or comments. John Burbridge, Commission Counsel, recommended approval of the application for use on and after May 1, 2016, and granting the *Petition by Notice and Order*, effective immediately. Deputy Chairman Russell moved to act as recommended. Commissioner Brighton seconded the motion and Chairman Minier concurred.

2. **Docket No. 30011-93-GP-16 (Record No. 14359). Application of Black Hills Northwest Wyoming Gas Utility Company d/b/a Black Hills Energy for authority to pass on a wholesale gas cost decrease of \$0.6721 per MCF beginning May 1, 2016. Commission to consider and act on Application.** Luy Luong, CS, provided a technical *Memo* dated April 22, 2016. Jon Thurber, BHE's Manager of Regulatory Services, explained this decrease reflects an expectation of lower natural gas costs over the next 12 months and the amortization of an over collection in the commodity balancing account (CBA). Commissioner Brighton asked if there were reasons other than the warmer than expected winter for the swing in the CBA. Thurber responded commodity costs were also lower than originally forecast. There were no further questions or comments. Steve Mink, Commission Counsel, recommended approval of application for use on and after May 1, 2016, by *Notice and Order*, effective immediately. Deputy Chairman Russell moved to act as recommended. Commissioner Brighton seconded the motion and Chairman Minier concurred.
3. **Docket No. 30016-79-GP-15 (Record No. 14345). Petition of Pinedale Natural Gas, Inc., (PNG) to Defer Filing Its Semi-Annual Purchase Gas Adjustment. Commission to consider and act on Petition.** Jess Bottom, CS, provided a technical *Memo* dated April 22, 2016. Bruce Asay, PNG's Local Counsel, said the Company finished its General Rate Case with a compliance filing that was made in January, wherein rates were approved by *Commission Order* dated March 24, 2016, and effective on January 28, 2016. Because of the late conclusion of the rate case, he recommended to Steve Shute, PNG's President that PNG request a deferral of the spring filing of the purchase gas adjustment (PGA) until fall. Asay said this deferral was appropriate because of the approval of the deferral in the recent filing and also because gas volumes are less during the spring and summer and any adjustment would not have the impact it would during the winter heating season. He said the large balance in the surcharge account relates to interest on unbilled gas. He noted payments on unbilled gas should be paid off by the end of July. Commissioner Brighton asked if PNG calculates the CBA on a monthly basis and if it could provide that amount to the Commission monthly. Asay said PNG was trying to avoid an official requirement for filing but could respond to commission staff requests as needed. Bottom stated the commission staff would like the information to be filed monthly because the surcharge account is high and it would be prudent to track the balance. There were no further questions or comments. Steve Mink, Commission Counsel, recommended approval of the application with a monthly filing of the CBA balance by *Order* only, effective immediately. Deputy Chairman Russell moved to act as recommended. Commissioner Brighton seconded the motion and Chairman Minier concurred.

4. **Docket No. 20005-37-ES-16 (Record No. 14352). Application of Idaho Power Company for an order authorizing the issuance and sale of up to \$500,000,000 of applicants first mortgage bonds and debt securities. Commission to consider and act on Application.** Jess Bottom, CS, provided a technical *Memo* dated April 22, 2016. Pat Harrington, IPC's Corporate Secretary, explained the request was to renew the existing shelf registration authority which was originally obtained in 2013 under similar terms. He stated this registration would be for another three year period and IPC was in the process of obtaining the relevant state commission orders for this purpose. There were no questions or comments. Steve Mink, Commission Counsel, recommended approval of the application by *Order* only, effective immediately. Deputy Chairman Russell moved to act as recommended. Commissioner Brighton seconded the motion and Chairman Minier concurred.

5. **Docket No. 30013-312-GP-16 (Record No. 14362). Application of Montana-Dakota Utilities Co. for authority to pass on a wholesale gas cost decrease of \$0.263 per Dth for residential, firm general service, and small and large interruptible customers, and an decrease of \$0.262 per Dth for optional seasonal customers. Commission to consider and act on Application, *Petition for Confidential Treatment* and *Petition for Expedited Treatment of Application*.** Rachel Meeker, CS, provided a technical *Memo* dated April 22, 2016. Travis Jacobson, MDU's Regulatory Analysis Manager, explained this is the monthly application to pass on purchased gas costs and the reason for the decrease is due to a decrease in the overall commodity price. There were no questions or comments. Lori Brand, Commission Counsel, recommended approval of the application for use on and after May 1, 2016 and granting the *Petitions* by *Notice and Order*, effective immediately. Deputy Chairman Russell moved to act as recommended. Commissioner Brighton seconded the motion and Chairman Minier concurred.

Prepared by: Barbara Tomlinson

Date of Next Open Meeting: Thursday, May 12, 2016

ACCEPTED and APPROVED by the Commission on July 14, 2016.

Chairman Alan B. Minier