

BEFORE THE PUBLIC SERVICE COMMISSION OF WYOMING

Minutes of Regular Open Meeting
Tuesday, August 7, 2007, at 1:30 p.m.

Attendees

Commissioners: Kathleen A. "Cindy" Lewis, Chairman, presiding
Deputy Chairman Steve Oxley

Rob Heath, American Fiber Network, Inc. (by telephone)
David Mosier, Rocky Mountain Power

Commission Staff: Mike Korber, Dave Lucero, Steve Mink, Chris Petrie,
Art Schmidt

CONSENT AGENDA FOR ROUTINE ACTION ITEMS

- 1. Docket No. 20000-277-ER-07 (Record No. 11249) Application of Rocky Mountain Power for authority to increase its retail electric utility service rates in Wyoming, consisting of a general rate increase of approximately \$36.1 million per year, and for approval of a new renewable resource mechanism and marginal cost pricing tariff. Commission to consider and act on Petition for Confidential Treatment and Protective Order.**
- 2. Docket Nos. 70000-1334-TK-07 and 70043-16-TK-07 (Record No. 11201) Contract filing of Qwest Corporation for authority to enter into an unbundled network elements, ancillary services and resale of telecommunication services interconnect agreement with Level 3 Communications, LLC.**
- 3. Docket Nos. 70000-1341-TK-07 and 70099-6-TK-07 (Record No. 11221) Contract filing of Qwest Corporation for authority to enter into a collocation available inventory amendment to the interconnection agreement with Qwest Communications Corporation.**

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 comments or questions. Art Schmidt, Commission Advisory Staff (CAS), provided the following recommendations: Item 1, grant request for confidential treatment; and Items 2 and 3, approve by Order only, effective immediately. Mr. Schmidt verified public notice has already been provided for Items 2 and 3. Deputy Chairman Oxley moved to take action as recommended, and Chairman Lewis seconded the motion.

REGULAR AGENDA ITEMS

- 1. Docket No. 70123-1-TA-07 (Record No. 11262) Application of American Fiber Network, Inc., for a certificate of public convenience and necessity to provide local telecommunications services in Wyoming.** Art Schmidt, CAS, provided a technical memo dated July 30, 2007. Rob Heath, American Fiber Network, said the company would like to provide CLEC services using Qwest facilities through an interconnection agreement with Qwest. Mr. Heath said the company intends to serve only in Qwest territories at this time and will primarily target resort areas. Mr. Heath verbally corrected the company's application to replace all references to Bell South with Qwest and to correct the mailing address. Mr. Schmidt confirmed the company meets managerial, financial and technical qualifications for a certificate in Wyoming. There were no further comments or questions. Mr. Schmidt recommended approval of the application by Notice and Order, effective immediately. Deputy Chairman Oxley moved to approve the application as recommended and requested the company file corrected tariffs. Chairman Lewis seconded the motion.

A full audio transcript is available upon request.

Next Open Meeting: Thursday, August 9, 2007, at 2:00 p.m.

Prepared by: Deborah McFerrin.

ACCEPTED and APPROVED by the Commission on the 31st day of October 2007.

Kathleen A. "Cindy" Lewis, Chairman

BEFORE THE PUBLIC SERVICE COMMISSION OF WYOMING

Minutes of Regular Open Meeting
Thursday, August 9, 2007, at 2:00 p.m.

Attendees

Commissioners: Kathleen A. "Cindy" Lewis, Chairman, presiding
Deputy Chairman Steve Oxley

Bruce Asay, counsel for Pinedale Natural Gas, Inc.
Dave Ditto, counsel for Pinedale Natural Gas, Inc.
David Mosier, Rocky Mountain Power
Lynne Pappas, All West Communications (by telephone)
Shawn Taylor, Wyoming Rural Electric Association
Dave Uchner, counsel for Wyoming Rural Electric Association
Mike Wolf, Rocky Mountain Power (by telephone)

Office of Consumer Advocate (OCA): Tom Wilson

Commission Staff: Blair Bales, Meridith Bell, Don Biedermann, Mike Korber, Luy Luong, Steve Mink, Marci Norby, Chris Petrie, Art Schmidt, Darrell Zlomke

REGULAR AGENDA ITEMS

1. **Docket No. 10005-37-CP-06 (Record No. 10885) Application of Wheatland Rural Electric Association (WREA) for authority pass on to its customers a wholesale power cost increase of \$918,417 per annum. Commission to consider and act on demand-side management report.** Art Schmidt, Commission Advisory Staff (CAS), provided a technical memo dated August 7, 2007, with attachments. Mr. Schmidt said the application was previously approved on an interim basis. The OCA intervened in the docket and requested information on WREA's demand-side management activities. Mr. Schmidt said he received and has reviewed the report and has received a letter from the OCA acknowledging no issues remain to be resolved.. There were no further comments or questions. Mr. Schmidt said he believes WREA has met its obligations and would recommend final approval of the pass-on and closing of the docket. Deputy Chairman Oxley moved to take action as recommended, and Chairman Lewis seconded the motion.
2. **Commission to consider and take action on the following applications of Rocky Mountain Power (RMP) to sell or grant easements:**
 - a. **Docket No. 20000-278-EA-07 (Record No. 11255) Application of RMP for authority to sell an easement to the City of Draper, Utah, for the extension of Galena Parkway for a public road through a transmission corridor.**
 - b. **Docket No. 20000-279-EA-07 (Record No. 11256) Application of RMP for authority to sell an easement to Woodside Homes in Davis County, Utah.**

- c. **Docket No. 20000-280-EA-07 (Record No. 11257) Application of RMP for authority to sell a public facilities easement to West Valley City, Utah.**
- d. **Docket No. 20000-281-EA-07 (Record No. 11258) Application of RMP for authority to amend a public recreation easement in Taylorville, Utah.**
- e. **Docket No. 20000-282-EA-07 (Record No. 11259) Application of RMP for authority to sell a public recreation easement to the City of Draper, Utah.**

Darrell Zlomke, CAS, provided a technical memo dated August 2, 2007. Deputy Chairman Oxley asked if there were any reason the dockets could not be reviewed as a group. Chris Petrie, Commission Chief Counsel, said the applications were filed and docketed separately, but they could be consolidated for purposes of an Order. Mr. Petrie added that disposition of these items would also be addressed in the next rate case. Mr. Mosier confirmed there would not be any adverse impact to customers, the company or any other utility as a result of these transactions. There were no further comments or questions. Deputy Chairman Oxley moved to approve all five transactions in one Order, effective immediately, with the request that a report on the transactions be provided in the next rate case filing. Chairman Lewis seconded the motion.

- 3. **Docket No. 30016-46-GK-07 (Record No. 11268) Contract filing by Pinedale Natural Gas, Inc., of its existing purchase and sale agreement and statement of confidential contents in the contract.** Marci Norby, CAS, provided a technical memo dated August 6, 2007. Bruce Asay, counsel for Pinedale Natural Gas, said the company is providing the contract at the Commission's request. Mr. Asay asked to withdraw the request for confidential treatment of the contract as the information was previously submitted in another matter without a request for confidential treatment. There were no further comments or questions. Steve Mink, Commission Counsel, recommended acceptance of the contract for placement in the Commission's files with no ratemaking implications. Deputy Chairman Oxley moved to accept the contract as recommended, and Chairman Lewis seconded the motion.
- 4. **Docket Nos. 70000-1320-TA-07 and 70013-20-TA-07 (Record No. 11125) Application of All West Communications for a study area waiver for certificated area obtained from Qwest Corporation.** Mike Korber, CAS, provided a technical memo dated August 6, 2007. Lynne Pappas, All West Communications (All West), said Qwest gave the previously-unserved area to All West in 1994. Due to an oversight, a study area waiver for five square miles was not included in the original docket. Ms. Pappas said a letter is needed from the Commission approving the study area waiver to enable All West to receive federal Universal Service Fund support for that area. Mr. Korber verified transfer of the territory was included in an Order issued in 1998, and he said the only result of providing the requested letter would be to enable All West to receive FUSF support payments. There were no further comments or questions. Mr. Korber recommended approving the waiver and authorizing a letter to the FCC. Deputy Chairman Oxley moved to take action as recommended and to have the letter for the FCC prepared for signature by the Chief Counsel. Chairman Lewis seconded the motion.

5. **Undocketed. Commission to consider opening a rule-making proceeding for proposed Commission Rule 318, which relates to the non-applicability of several Commission Rules to Rural Electric Cooperatives that become exempt from retail rate regulation under W.S. § 37-17-103.** Blair Bales, Commission Counsel, said the proposed rule-making results from legislation enacted this year. Ms. Bales said draft rules were provided to the Governor's office, and permission was received on August 3 to open rule-making proceedings. Deputy Chairman Oxley moved to institute rule-making proceedings, and Chairman Lewis seconded the motion.

A full audio transcript is available upon request.

Next Open Meeting: Wednesday, August 22, 2007, at 9:00 a.m.

Prepared by: Deborah McFerrin.

ACCEPTED and APPROVED by the Commission on the 31st day of October 2007.

Kathleen A. "Cindy" Lewis, Chairman

BEFORE THE PUBLIC SERVICE COMMISSION OF WYOMING

Minutes of Regular Open Meeting
Wednesday, August 22, 2007, at 9:00 a.m.

Attendees

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

Gary Abbate, SourceGas Distribution, LLC
Tammie Aberle, Montana Dakota Utilities Company(by telephone)
Bruce Asay, counsel for Pinedale Natural Gas, Inc.
Bud Becker, SourceGas Distribution, LLC
Justin Lee Brown, counsel for Rocky Mountain Power
Dale Cottam, counsel for Questar Gas Management
Craig Cox, Interwest Energy Alliance (by telephone)
Melanie Edmund, SourceGas Distribution, LLC
Harold Giberson, Utility Workers Union of America 127
Kent Harris, SourceGas Distribution, LLC
Jeff Hubbard, Qwest Corporation
Mike McBride, Lower Valley Energy
Bill Meckling, SourceGas Distribution, LLC
Gilmer Mickey, Pinedale Natural Gas, Inc.
Dave Mosier, Rocky Mountain Power
Robert Pomeroy, counsel for Wyoming Industrial Energy Consumers
Dee Reynolds, Fall River Rural Electric Cooperative (by telephone)
Steve Shute, Pinedale Natural Gas, Inc.
Chris Viveros, Qwest Corporation (by telephone)
Mike Wozniak, counsel for Cimarex Energy Company

Office of Consumer Advocate (OCA): Bryce Freeman, David McMullian,
Denise Parrish, Amy Zamora

Commission Staff: Blair Bales, Meridith Bell, Don Biedermann, Angie
Elliott, Vicky Hansen, Mike Korber, Dave Lucero, Luy Luong, Steve
Mink, Marci Norby, Chris Petrie, Art Schmidt, Barbara Taylor-Iversen,
Darrell Zlomke

CONSENT AGENDA FOR ROUTINE ACTION ITEMS

- 1. Docket No. 20000-277-ER-07 (Record No. 11249) Application of Rocky Mountain Power for authority to increase its retail electric utility service rates in Wyoming, consisting of a general rate increase of approximately \$36.1 million per year, and for**

approval of a new renewable resource mechanism and marginal cost pricing tariff. Commission to consider and act on the Petitions to Intervene listed below.

- a) **Utility Workers Union of America, Local 127, AFL-CIO**
- b) **Cimarex Energy Company**
- c) **Rancher Energy Corp.**
- d **Interwest Energy Alliance**

2. Undocketed. Minutes for review by the Commission for the Regular Open Meetings of May 7, 8, 9, 11, 18, 31, 2007, and June 5, 7, 15 and 22, 2007.

Chairman Lewis introduced the consent agenda items and asked if there were any requests to withdraw an item. Deputy Chairman Oxley asked that Items 1(b) and 1(d) be removed for further comments. There were no further requests to remove an item. Chris Petrie, Commission Chief Counsel, recommended granting the petitions for intervention of the Utility Workers Union of America and Rancher Energy Corp. Deputy Chairman Oxley moved to take action as recommended and to accept the Open Meeting minutes as submitted. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.

Steve Mink, Commission Counsel, and Mr. Petrie then responded to Commission questions regarding the remaining two petitions. Mr. Mink confirmed Mike Wozniak is an attorney admitted to the Wyoming State Bar and represents Cimarex Energy Company (Cimarex). Mr. Wozniak said Cimarex is building a large gas processing plant within Rocky Mountain Power's territory and will be significantly affected by the rates resulting from this docket. Deputy Chairman Oxley then moved to approve the petition of Cimarex to intervene in the docket. Craig Cox, Executive Director of Interwest Energy Alliance, discussed that organization's petition to intervene. Mr. Cox explained the purpose of the alliance and the reasons it is requesting intervention. Justin Lee Brown of Rocky Mountain Power said he had no objections to the intervention. Deputy Chairman Oxley moved to grant the petition. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.

REGULAR AGENDA ITEMS

- 1. Docket No. 30013-192-GT-07 (Record No. 11285) Application of Montana-Dakota Utilities Company (MDU) for authority to change the date of the annual surcharge adjustment filing required under its Purchased Gas Cost Adjustment (PGA) Rate 88 Tariff.** Marci Norby, Commission Advisory Staff (CAS), provided a technical memo dated August 17, 2007. Tammie Aberle of MDU said the request is to change the date from May 1 to October 1 to better match the surcharge with the schedule of storage gas withdrawals and injections. Ms. Aberle added this should reduce some of the volatility of periodic pricing adjustments. Ms. Norby said she would like to have updated company financial information but would be satisfied with the information normally provided for periodic adjustments. There were no further comments or questions. Ms. Norby recommended approval of the application by Order only, effective immediately, and requested the company submit tariffs with correct page numbering within five business

days. Deputy Chairman Oxley moved to take action as recommended. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.

2. **Docket No. 70000-1342-TA-07 (Record No. 11236) Qwest Corporation application for authority to modify and revise Exhibits B and K to its Wyoming Statement of Generally Available Terms (SGAT).** Mike Korber, CAS, provided a technical memo dated August 20, 2007. Jeff Hubbard, Qwest Corporation, said this filing results from a 2007 stipulation which contains agreed-upon changes to the QPAP filing and Exhibits B and K to the SGAT to revise the mechanism by which payments are made to Qwest. Chris Viveros of Qwest added that the modifications refine performance measures and terms to make results and payments more representative of Qwest's actual performance and delivery of quality service to wholesale customers. Mr. Korber said public notice was provided with an August 17 deadline, and no comments or requests for action were received. Mr. Korber also said the updated SGAT would automatically go into effect if no Commission action is taken before the 60-day filing deadline. There were no further comments or questions. Mr. Korber recommended the Commission allow the revised and modified Exhibits B and K to the Wyoming SGAT to go into effect according to provisions of the federal Telecom Act. Deputy Chairman Oxley moved to allow the exhibits to go into effect as recommended to be consistent with prior Commission action on this issue. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.
3. **Docket Nos. 20000-284-EA-07 and 10020-33-EA-07 (Record No. 11274) Rocky Mountain Power (RMP) and High Plains Power, Inc., application to permit High Plains to serve Mr. Bud Boyles in Rocky Mountain's certificated area.** Don Biedermann, CAS, provided a technical memo dated August 10, 2007. Dave Mosier, RMP, said Mr. Boyles is a residential customer located west of Casper in High Plains Power's service territory. In April, Mr. Boyles contacted RMP requesting an estimate of the cost to provide electrical service to his property. RMP's service line is located approximately 7,400 feet away from the property, and the extension cost was estimated at over \$30,000. High Plains Power, however, has a line approximately 200 feet away and could provide service at a substantially lower cost. The parties have reached an agreement which provides the lowest cost to the consumer, would affect no other customers and is consistent with prior agreements of this nature. Mr. Mosier said Mr. Boyles would be served as a non-member customer of High Plains Power, and that RMP does not relinquish any of its rights. There were no further comments or questions. Dave Lucero, Commission Counsel, recommended approval of the application by Order only, effective immediately. Deputy Chairman Oxley moved to approve the application as recommended. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.
4. **Docket No. 20000-264-EA-6 (Record No. 10960) Application of Rocky Mountain Power for authority to establish a demand-side management program in Wyoming, establish DSM tariffs and increase rates to fund DSM. Commission to consider Joint Motion to Withdraw Stipulation and Agreement and to Stay Proceedings Pending the Submission of an Amended Application by Rocky Mountain Power.** Justin Lee

Brown, RMP, explained the motion to withdraw is a collective effort of all parties involved. He said RMP would like to keep the docket open and submit an amended application which would better address the concerns and issues raised during the hearing and deliberation process. Discussion ensued on the merits of withdrawing the stipulation from consideration or simply rejecting it. Chris Petrie, Commission Chief Counsel, said the end result would be the same and the docket record would be preserved for future consideration with either procedure. There were no further comments or questions. Mr. Petrie recommended the Commission use an appropriate method to allow RMP to file an amended application no later than December 31, 2007, and that activity be suspended until that time. Deputy Chairman Oxley moved to reject the stipulation and allow RMP to file an amended application. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.

5. **Docket No. 20000-277-ER-7 (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 set a hearing date and other necessary procedural deadlines.** Chris Petrie, Commission Chief Counsel, and Robert Pomeroy, WIEC, said the proposed schedule has been discussed with all parties in the docket. There are, however, several items outstanding such as a final hearing date, a structure for discovery deadlines and limitations on interrogatories. Deputy Chairman Oxley moved to authorize the issuance of a procedural schedule as proposed with the exception that nothing will be scheduled in January 2008 and that the subject of a waiver of limitations on interrogatories and other deadlines for discovery be discussed among the parties and presented to the Commission at the earliest possible date. Deputy Chairman Oxley also asked Commission counsel to work with the parties to find a mutually-acceptable deadline for the filing of a stipulated agreement. He further asked that the Commission's written policy on the filing of interrogatories be distributed to the parties and applied. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.
6. **Docket No. 30016-45-GS-07 (Record No. 11246) Application of Pinedale Natural Gas, Inc. (Pinedale), for approval of certain loans. Commission to consider continuing the application beyond 30 days after filing pursuant to W.S. § 37-6-104.** Dave Lucero, Commission Counsel, said Commission staff needs further information from Pinedale to properly evaluate the fair market value of the company in prior years. Mr. Lucero added that one extension of 30 days has already been granted, and staff is requesting an additional 60-day extension allowed per statute. Bruce Asay, counsel for Pinedale, said he hoped to provide the additional information requested within the next week. Ivan Williams, OCA, said his office has no objections to the continuance. There were no further comments or questions. Mr. Lucero recommended the Commission grant the 60-day continuance for review of the application. Deputy Chairman Oxley moved to grant the continuance to allow time to obtain and evaluate the 2004 and 2005 data requested. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.

- 7. Docket No. 30016-41-GR-07 (Record No. 10400) Second amended general rate application of Pinedale Natural Gas, Inc., for authority to establish a revised overall rate of return of 11.5% to reflect changes in the costs of providing natural gas service and increase revenues \$93,000 per annum. Commission to consider a request by Commission Advisory Staff to re-open deliberations in this matter due to the discovery of an error in the computation of the annual depreciation expense, which also affects the calculation of Pinedale's rate base and accumulated deferred income tax.** Blair Bales, Commission Counsel, said in reviewing the Order of June 28, 2007, staff identified an error in computing the annual depreciation expenses which generated errors in other calculations. Ms. Bales said reopening deliberations would allow a discussion of the ramifications of these changes and allow for further clarification from the company if necessary. Ivan Williams, OCA, expressed concern about the additional time required to complete the process and requested any further proceedings be expedited. There were no further comments or questions. Ms. Bales recommended the Commission reopen deliberations for the purpose of hearing the issue of an error in the computation of the annual depreciation expense and fallout from that change, particularly in calculating the rate base. Deputy Chairman Oxley moved to reopen the deliberations without a subject matter limitation. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred. A date of Thursday, August 31, 2007, at 1:30 p.m. was scheduled for the deliberations, and Deputy Chairman Oxley moved to vacate the current schedule for considering Pinedale's motion for a rehearing until after the deliberations are completed. Commissioner Byrnes seconded that motion, and Chairman Lewis concurred.
- 8. Undocketed. Commission to consider issuing an Order to Show Cause to Pinedale Natural Gas, Inc. as to why its certificate authority to provide natural gas public utility service in Wyoming should not be cancelled due to non-compliance with Commission order(s) and Wyoming Law.** Blair Bales, Commission Counsel, said this item results from direction to Pinedale to file a tariff with corrected dates within 30 days of the Order issued in Docket 30016-42-GT-06. Ms. Bales said the corrected tariff was received on August 21. Bruce Asay, counsel for Pinedale, said it is his belief the company has worked very hard to comply with Commission Orders and meet deadlines required. Chairman Lewis commented on the failure of Pinedale to comply but agreed with the other Commissioners that putting the item on an Open Meeting has accomplished what was required. Deputy Chairman Oxley moved to take no further action. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.
- 9. Docket No. 10012-46-CR-06 (Record No. 10608) Lower Valley Energy, Inc., amended application for a general rate increase of \$2,326,974 (7%) for electric service. Consider finalizing interim rates and request for confidential treatment of financial information under Section 120.** Luy Luong and Jess Bottom, CAS, provided a technical memo dated August 15, 2007. Dave Lucero, Commission Counsel, said the rates were approved on an interim basis in October 2006. Mr. Lucero added that the protest period expired with no requests for hearing, and the OCA has completed its review with some proposed revisions. He said the OCA recommendations have been adopted by the company but have no material effect on the approved rates. Mike McBride, Lower Valley Energy, said meetings were held with customers, and the 5.9%

increase in rate of return was spread equally over all classes except the irrigation class. Since the projected increase would be as much as 65%, it was decided to charge the same rate as commercial customers, resulting in a 17.8% increase. Luy Luong confirmed the overall changes will be nearly revenue neutral, and he said the company will address how to handle the irrigation class in a future filing. There were no further comments or questions. Mr. Lucero recommended issuance of an Order approving interim rates on a final basis, establishing an overall rate of return of 5.9% and granting confidential treatment of the financial information under Rule 120. Deputy Chairman Oxley moved to take action as recommended. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.

At this point, Chairman Lewis excused herself from the meeting. Deputy Chairman Oxley presided over the remainder of the meeting.

- 10. Docket No. 30022-100-GP-07 (Record No. 11301) SourceGas Distribution LLC (SourceGas) has filed for a Pass-On Rate [Regulated Rate] cost adjustment applicable to the Casper Division customers who chose or defaulted to this option during the sign-up period for the current Choice Gas Service program year. SourceGas has also petitioned for confidential treatment under Section 120 for gas supply contracts. The proposed effective date is September 1, 2007, and reflects a net decrease of \$0.3575 per Dth.** Luy Luong, CAS, provided a technical memo dated August 15, 2007. Gary Abbate, SourceGas, said this application is for the regular quarterly pass-on adjustment to Casper Division customers listed above and represents an overall net decrease of \$0.3575 cents per decatherm. Mr. Abbate said the change is the result of decreases in the commodity cost, the commodity balancing account surcharge and the working gas storage adjustment. He said the net effect to the average customer will be a decrease of 5.5% from the current rates and a 20.5% decrease compared to rates in effect this time during the previous year. Mr. Abbate also requested confidential treatment of the application Exhibit E as it contains transaction summaries and detailed contract information. There were no further comments or questions. Dave Lucero, Commission Counsel, recommended approval of (a) the application by Notice and Order, effective for usage on and after September 1, 2007, and (2) the request for confidential treatment of Exhibit E. Commissioner Byrnes moved to take action as recommended by staff, and Deputy Chairman Oxley seconded the motion.
- 11. Docket No. 30022-101-GP-07 (Record No. 11302) Application of SourceGas Distribution LLC (Gillette Division) for authority to pass-on through its commodity balancing account a decrease of \$0.1427 per Dth to its Pass-On Rate [Regulated Rate] Customers. SourceGas is requesting confidential treatment of Exhibit E.** Art Schmidt, CAS, provided a technical memo dated August 14, 2007. Gary Abbate, SourceGas, said this is a regular quarterly adjustment with an overall net decrease due to decreases in the commodity and surcharge rates. Mr. Abbate said the effect of this change would be a decrease to the average customer of about 2% from the current rates and about 24% from this time last year. Confidential treatment of Exhibit E to the application is also being requested to protect contract information. There were no further comments or questions. Mr. Schmidt recommended approval of the application by Notice and Order

for usage on and after September 1, 2007, and granting of the request for confidential treatment of Exhibit E to the application. Commissioner Byrnes moved to take action as recommended, and Deputy Chairman Oxley seconded the motion.

- 12. Docket No. 30022-102-GP-07 (Record No. 11303) Application of SourceGas Distribution LLC (Torrington Division) for authority to pass on through its commodity balancing account a decrease of \$0.3620 per Dth to its Pass-On Rate [Regulated Rate] Customers. SourceGas Distribution LLC is also petitioning for confidential treatment of its Exhibit E to the application.** Jess Bottom, CAS, provided a technical memo dated August 16, 2007. Gary Abbate, SourceGas, said this is a regular quarterly pass-on adjustment which would result in a net decrease to the Torrington Division customers. Mr. Abbate said the application reflects decreases in the commodity rate and the working gas storage charge and a slight increase in the balancing account surcharge. He added these changes represent a decrease of approximately 4% from current rates and are 10.2% lower than the rates in effect last September. Again, confidential treatment of Exhibit E to the application was requested. Dave Lucero, Commission Counsel, said this application, and the other two Pass-On Rate [Regulated Rate] filings, reflect a dollar-for-dollar pass-on, and have been filed in compliance with Rules 249 and 250. The three pass-ons, if approved, would not allow the company to exceed its authorized rate of return. There were no further comments or questions. Mr. Lucero recommended the application be approved by Notice and Order, effective for usage on and after September 1, 2007, and that confidential treatment be granted for Exhibit E. Commissioner Byrnes moved to take action as recommended, and Deputy Chairman Oxley concurred.
- 13. Docket No. 30022-79-GA-06 (Record No. 10637) Compliance Report of Kinder Morgan Inc. (SourceGas Distribution, LLC), for authority to abandon natural gas storage in the Dakota and Lakota Formations at the Oil Springs Field.** Darrell Zlomke and Marci Norby, CAS, provided a technical memo dated August 17, 2007. Bud Becker, SourceGas, provided background on this item, saying the gas in the formations has been removed and a one-time credit of \$5.75 has been provided to Casper Division customers as a result of selling the gas. The Commissioners and staff still have questions regarding the costs and rate-base implications of the process. Commissioner Byrnes moved to table this item until the questions have been resolved, and Deputy Chairman Oxley concurred, adding the OCA should be included in the discussions if they so desire.
- 14. Docket No. 10000-15-CA-07 (Record No. 11326) Request of Fall River Rural Electric Cooperative, Inc. (Fall River), for Retail Rate Regulation Exemption. Commission to consider and possibly act on Fall River's request.** Dee Reynolds, Fall River, said that when the new statute § 37-17-102 was received and reviewed, it was determined Fall River would apply to be removed from regulation. Mr. Reynolds said the measure was presented to and was passed by the membership after approval by the Board of Directors. Subsequently, a letter was sent to the Commission requesting exemption from regulation under the new law. Chris Petrie, Commission Chief Counsel, questioned the ability of Fall River to take action prior to the effective date of the statute and pointed out that Fall River is not a Wyoming corporation and therefore may not be eligible to

undertake the process of deregulation under the statute. Deputy Chairman Oxley said it was his opinion the Commission could not take action as the statute was not in effect at the time of Fall River's decision. There were no further comments or questions. Commissioner Byrnes moved to deny the request due to the timing of the activities prior to the effective date of the law. Deputy Chairman Oxley concurred. Mr. Reynolds said Fall River would research and possibly work out a resolution, including discussions with the legislature, prior to the next annual meeting.

15. Multiple Undocketed Items. Commission to consider issuing Orders to Show Cause as to why the below-listed telecommunications companies' registration and certificate authority to provide telecommunications service in Wyoming should not be cancelled due to non-compliance with Wyoming Law.

Company ID No.	Company	Company ID No.	Company
74507	Access One, Inc.	74524	Network US, Inc. d/b/a CA Affinity
74122	Business Telecom, Inc.	74174	Norlight Telecommunications, Inc
74376	Clear World Communications	74282	PNG Telecommunications, Inc.
74484	Comtech21, LLC.	74539	QX Telecom, LLC
74591	Entrix Telecom, Inc.	74601	Telrite Corporation
74101	Global Crossing Telecommunications, Inc.	74096	Touch 1 Communications, Inc.
74431	Legacy Long Distance International, Inc.	74636	VoiceCom Telecom
74260	Net One International		

Steve Mink, Commission Counsel, said the listed companies have discrepancies in the amounts of revenue stated in their annual reports to the Commission and their filed Wyoming Universal Fund reports. He said some of the companies also show discrepancies between reports filed with the Department of Revenue and the Secretary of State. Each company was contacted by Barbara Tylor-Iversen, CAS, in an attempt to resolve outstanding issues. Mr. Mink said three of the companies—Global Crossing, Norlight Communications and VoiceCom Telecom—have complied with staff requests. The remaining companies have not. Blair Bales, Commission Counsel, said all the companies are interexchange service providers and do not have actual certificates of authority in Wyoming. There were no further comments or questions. Mr. Mink recommended the Commission issue an Order to each company, excluding the three which have complied, to show cause why their registrations should not be cancelled at a hearing to be held on September 25, 2007, at 9:00 a.m. Commissioner Byrnes moved to take action as recommended, and Deputy Chairman Oxley seconded the motion.

A full audio transcript is available upon request.

Next Open Meeting: Tuesday, August 28, 2007, at 4:00 p.m., in Fort Washakie.

Prepared by: Deborah McFerrin.

ACCEPTED and APPROVED by the Commission on the 31st day of October 2007.

Kathleen A. "Cindy" Lewis, Chairman

BEFORE THE PUBLIC SERVICE COMMISSION OF WYOMING

Minutes of Regular Open Meeting
Thursday, August 30, 2007, at 8:30 a.m.

Attendees

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

Stacie Dykema, Cheyenne Light, Fuel and Power Company
Kenna Hagan, counsel for Cheyenne Light, Fuel and Power Company
Brian Iverson, counsel for Cheyenne Light, Fuel and Power Company
Mark Stege, Cheyenne Light, Fuel and Power Company
John Sundahl, counsel for Cheyenne Light, Fuel and Power Company
Kyle White, Cheyenne Light, Fuel and Power Company

Office of Consumer Advocate (OCA): Ivan Williams

Commission Staff: Blair Bales, Jess Bottom, Angie Elliott, Vicky Hansen,
Marchia Johansen, Dave Lucero

REGULAR AGENDA ITEMS

1. **Docket No. 20003-87-ET-06 (Record No. 10640) Cheyenne Light Fuel and Power Company (Cheyenne Light) amended request for authority to revise its Electric Service Rules and Regulations.** Don Biedermann, Commission advisory staff (CAS) provided a technical memo dated August 24, 2007.
2. **Docket No. 30005-108-GT-06 (Record No. 10638) Cheyenne Light Fuel and Power Company amended request for authority to revise its Natural Gas Service Rules and Regulations.** Jess Bottom, CAS, provided a technical memo dated August 24, 2007.

Chairman Lewis introduced both dockets as they were being presented together. Kyle White, Cheyenne Light, said the revisions are being requested as the existing line extension policies for both gas and electric were put in place in the early 1990's and it was felt by Black Hills Power, the new owner of Cheyenne Light, that updating was needed. Mr. White said the nature of growth in the territory to more rural construction on large lots is also driving a different approach whereby urban customers will not bear as great a share of the cost for higher-cost rural extensions. Commercial customers would be charged based on revenue rather than the length of the extension. Mr. White said Cheyenne Light worked with the OCA and the Southeast Wyoming Homebuilders Association to address their concerns, and letters of understanding from both are on file. Mr. White responded to Commission questions regarding deposits, income tax obligations, sharing of trenches with other utilities and system maintenance. Dave Lucero, Commission Counsel, said public notice was provided and meetings were held

with the OCA, Cheyenne Light, building contractors and building associations in the service area. There were no further comments or questions. Because notice has already been provided, Mr. Lucero recommended approval of both amended applications by Order only, with an effective date of October 1, 2007, as requested by Cheyenne Light. Deputy Chairman Oxley moved to approve each application as recommended. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.

A full audio transcript is available upon request.

Next Open Meeting: Friday, August 31, 2007, at 9:00 a.m.

Prepared by: Deborah McFerrin.

ACCEPTED and APPROVED by the Commission on the 31st day of October 2007.

Kathleen A. "Cindy" Lewis, Chairman

BEFORE THE PUBLIC SERVICE COMMISSION OF WYOMING

Minutes of Regular Open Meeting
Friday, August 31, 2007, at 9:00 a.m.

Attendees

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

Dale Cottam, counsel for Questar Gas Management Company
Dave Mosier, Rocky Mountain Power

Commission Staff: Blair Bales, Don Biedermann, Angie Elliott, Vicky Hansen, Dave Lucero, Steve Mink, Chris Petrie

CONSENT AGENDA FOR ROUTINE ACTION ITEMS

- 1. Docket No. 20000-276-ET-07 (Record No. 11223) Application of Rocky Mountain Power for authority to revise Schedule 37, Avoided Cost Purchases from Qualifying Facilities. Commission to consider and act on Questar Gas Management Company's Petition to Intervene.**
- 2. Docket No. 20000-283-EA-07 (Record No. 11261) Application of Rocky Mountain Power for a certificate of public convenience and necessity to construct the New 99 MW Glenrock Wind Energy Project. Commission to consider and act on Petition to Intervene on Behalf of Questar Gas Management Company.**
- 3. Docket No. 20000-285-EA-07 (Record No. 11297) Application of Rocky Mountain Power for a certificate of public convenience and necessity to construct the new 99 MW Seven Mile Hill Wind Energy Development Project. Commission to consider and act on Questar Gas Management Company's Petition to Intervene.**
- 4. Undocketed. Minutes for review by the Commission for the Regular Open Meetings of June 28 and July 2, 2007.**

Chairman Lewis introduced the consent agenda items and asked if there were any requests to remove an item for further consideration. There were no such requests nor any further comments or questions. Dave Lucero, Commission Counsel, recommended approval of the petitions to intervene in all three dockets by Order only, effective immediately. Deputy Chairman Oxley moved to take action as recommended. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred. Deputy Chairman Oxley then moved to approve the open meeting minutes as submitted. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.

REGULAR AGENDA ITEMS

- 1. Docket Nos. 20000-286-EA-07 and 10020-34-EA-07 (Record No. 11308) Rocky Mountain Power (RMP) and High Plains Power, Inc., request for approval of an agreement by which RMP would be allowed to serve Mr. Grant E. Belden in High Plains Power's certificated territory.** Don Biedermann, Commission Advisory Staff, presented a technical memo dated August 24, 2007. Dave Mosier, RMP, said Mr. Belden's property is located in High Plains Power's service territory but 3,400 feet from the nearest distribution line for High Plains Power. It is only 200 feet away from an RMP distribution line. Because the cost of providing service from the RMP line is significantly lower, Mr. Belden requested service from RMP, and High Plains Power has agreed to relinquish the service. Mr. Mosier confirmed there would be no adverse effects on any other customer or utility nor would the rights or certificated territory boundaries of either utility change. There were no further comments or questions. Vicky Hansen, Commission Counsel, recommended approval of the application and stipulation of agreement by Order only, effective immediately. Deputy Chairman Oxley moved to approve the application as recommended. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.

A full audio transcript is available upon request.

Next Open Meeting: Thursday, September 6, 2007, at 1:30 p.m.

Prepared by: Deborah McFerrin.

ACCEPTED and APPROVED by the Commission on the 31st day of October 2007.

Kathleen A. "Cindy" Lewis, Chairman