

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

Tuesday, August 5, 2008
1:30 p.m.

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

Tammi Aberle, Montana Dakota Utilities (by telephone)
Doug Ferson, Wexpro Company (by telephone) (will check w/Marci re sp)
Jim Livesey, Wexpro Company (by telephone)
Grady Rasmussen, Wexpro Company (by telephone)
Shane Shulz, Questar Gas Company/Wexpro Company

Office of Consumer Advocate (OCA): Dave McMullian

Commission Staff: Vicky Hansen, Dave Lucero, Tom Wilson

CONSENT AGENDA ITEMS

1. **Docket No. 30022-118-GT-08 (Record No. 11795) Amended application of SourceGas Distribution LLC for authority to adjust its form of Choice Gas Service Supplier Participation Agreement in its tariffs. Commission to consider authorizing an order confirming its decision approving the adjustment to the agreement, made at the July 29, 2008, open meeting. The agenda for the July 29, 2008, open meeting did not state that the proposed adjustment to the Choice Gas Supplier Participation Agreement would apply to the Company's Torrington, Casper and Gillette Divisions.** Chairman Lewis introduced the consent agenda item and asked if there were any requests to withdraw it for further consideration. There were no such requests nor any further comments or questions. Dave Lucero, Commission Counsel, recommended authorization of an Order confirming the decision approving the application. Deputy Chairman Oxley moved to confirm the decision as recommended and requested the Order provide for a copy of the Order to be sent to all of the customers affected. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.

REGULAR AGENDA ITEMS

1. **Docket No. 30013-205-GP-08 (Record No. 11812) Application of Montana-Dakota Utilities Company (MDU) for authority to pass on wholesale gas cost increases of \$0.576 per decatherm for residential service customers and \$0.572 per decatherm for optional seasonal customers from the currently effective tariff rates and a petition for confidential treatment of Exhibit 3a to the application.** This item was

previously scheduled for open meeting on July 31, 2008, but was tabled due to inadequate public notice. Tom Wilson, Commission Advisory Staff (CAS), provided a technical memo dated July 31, 2008. Tammi Aberle, MDU, said the change would be effective for August 2008 and primarily reflects an increase in the market price of gas. She said MDU is also requesting an out-of-cycle surcharge change and a waiver of Section 4 of the Rate 88 tariff. There were no further comments or questions. Dave Lucero, Commission Counsel, recommended approval of the application and the petition for confidential treatment by Notice and Order, effective immediately, for usage on and after August 5, 2008. Deputy Chairman Oxley moved to take action as recommended, and Commissioner Byrnes seconded the motion. Chairman Lewis concurred.

2. **Undocketed. Wexpro Company (Wexpro) base rate of return for the periods of August 1, 2006, through July 31, 2007, and August 1, 2007, through July 31, 2008. Commission to consider and act on the calculated base rate of return for each period.** Marci Norby, CAS, provided a technical memo dated August 1, 2008. Jim Livesey of Wexpro Company provided the most recent calculations of base rate of return as called for in the Wexpro agreement to be applied toward investment. He explained the methodology used and how calculations are made when the rate of return for one or more of the 20 companies is not usable. Mr. Livesey said the updated calculations have been provided to both Utah and Wyoming, and, after approval is received in both states, Wexpro will apply the approved rate to billings to Questar Gas. Ms. Norby said she has discussed the calculations with Wexpro. She said she believes the results to be reasonable and sees no need to review the stipulation at this time. There were no further comments or questions. Ms. Norby recommended the Commission or its counsel send a letter to Wexpro, as has been done in the past, concurring with the calculated base rates of return for these periods as presented. Deputy Chairman Oxley moved to take action as recommended. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.

A full audio transcript is available for this open meeting.

Next Open Meeting: Thursday, August 7, 2008, at 1:30 p.m..

Prepared by: Deborah McFerrin

ACCEPTED and APPROVED by the Commission on the 31st day of October 2008.

Kathleen A. "Cindy" Lewis, Chairman

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

Thursday, August 7, 2008
1:30 p.m.

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

Greg Duvall, Rocky Mountain Power (by telephone)
Roger Fransen, Counsel for Rocky Mountain Power
Ryan Henning, CH2M Hill (Environmental consultant to Rocky Mountain Power, by telephone)
Daniel Solander, Rocky Mountain Power (by telephone)
Mark Tallman, Rocky Mountain Power (by telephone)

Commission Staff: Blair Bales, Michelle Bohanan, Marci Norby, Art Schmidt, Barbara Taylor-Iversen

CONSENT AGENDA ITEMS

- 1. Docket Nos. 70000-1381-TK-08 and 70116-12-TK-08 (Record No. 11784) Contract filing of Qwest Corporation for authority to enter into an Unbundled Network Elements (UNEs) and Common Area Splitter Collocations Amendment to the Interconnection Agreement with Bullseye Telecom, Inc. Commission to consider and act on the amendment to the interconnection agreement.**
- 2. Docket Nos. 70000-1382-TK-08 and 70107-25-TK-08 (Record No. 11785) Contract filing of Qwest Corporation for authority to enter into an Unbundled Network Elements, Ancillary Services, and Resale of Telecommunications Interconnection Agreement with XO Communications Services Inc. Commission to consider and act on the interconnection agreement.**

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. Art Schmidt, Commission Advisory Staff (CAS), recommended approval of both items by Order only, effective immediately. Deputy Chairman Oxley moved to take action as recommended. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.

REGULAR AGENDA ITEMS

- 1. Docket No. 20000-329-EA-08 (Record No. 11765) Application of Rocky Mountain Power (RMP) for a Certificate of Public Convenience and Necessity to construct the new 99 MW High Plains Wind Project. Commission to consider and act on the application and Petition for Confidential Treatment of High Plains Wind Project Cost Information Required Pursuant to Section 204(e) of the Commission's Rules and Regulations (Petition).** Michelle Bohanan and Dave Walker, CAS, provided a technical memo dated July 28, 2008. Mark Tallman, RMP, said the information requested at the last open meeting by the Commission has been provided for review. Deputy Chairman Oxley asked RMP representatives if consideration had been given to Wyoming Executive Order 2008-2 regarding greater sage grouse protection. Ryan Henning, environmental consultant to RMP, said he has been working with the Wyoming Game and Fish Department to look at mitigation efforts of the impact of construction in the area. Mr. Henning said there are no known sage grouse leks in the area of construction, and RMP has developed a monitoring plan that will continue to study any displacement of the sage grouse. Mr. Tallman said this issue will also be addressed at the public hearing of the Industrial Siting Council (ISC) on September 11, 2008, which will consider RMP's request for a permit. Ms. Bohanan expressed some concerns raised in the geological report for the site, and Mr. Tallman assured the Commission this would also be discussed at the ISC hearing on September 11 and invited Commission staff to attend the hearing. There were no further comments or questions. Blair Bales, Commission Counsel, recommended approval of the application by Order only, effective immediately, with the request that the Order request documentation of permits for construction, a discussion of compliance with Executive Order 2008-2, provision of periodic construction reports, a copy of the interconnection agreement for power produced, and a requirement that RMP file a separate application for the transmission lines. Deputy Chairman Oxley moved to approve the application as recommended by Ms. Bales. He also asked that a copy of the Commission's Order be provided to the ISC. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.

A full audio transcript is available for this open meeting.

Next Open Meeting: Thursday, August 14, 2008, at 1:30 p.m..

Prepared by: Deborah McFerrin

ACCEPTED and APPROVED by the Commission on the 31st day of October 2008.

Kathleen A. "Cindy" Lewis, Chairman

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

Thursday, August 14, 2008
8:30 a.m.

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

Barbara Brohl, counsel for Qwest Corporation
Roger Fransen, local counsel for Qwest Corporation
Jeff Hubbard, Qwest Corporation
M. Lynn Norsworthy, Qwest Corporation
Liz Zerga, counsel for Range Telephone Companies

Office of Consumer Advocate (OCA): Denise Parrish

Commission Staff: Blair Bales, Angie Elliott, Vicky Hansen, Chris Petrie, Art Schmidt, Barbara Taylor-Iversen, Tom Wilson

REGULAR AGENDA ITEMS

1. **Docket No. 70000-1379-TT-08 (Record No. 11771) Tariff filing of Qwest Corporation for authority to revise its federal Universal Service Fund (FUSF) and the Telephone Assistance Program Tribal Lifeline Credits. Commission to consider and act on the tariff filing and related filings, including:**
 - A. **Qwest's June 27, July 28 and 30, 2008, Petitions for Confidential Treatment (Petitions);**
 - B. **Qwest's Request for Hearing (Request); and,**
 - C. **Qwest's Confidential Motion for Make-Whole Distribution from Wyoming Universal Service Fund and for Reconsideration of Decision Refusing to Implement New Price Schedules on an Interim Basis (Motion).**

An audio transcript is not available for this open meeting as confidential information was discussed. The meeting was reported by Eric Nordberg of Wyoming Reporting Service, and a transcript of the proceeding may be obtained from that office upon a showing to the Commission that the person seeking a copy should be able to obtain it under Section 120 of the Commission's Rules.

Next Open Meeting: Monday, August 18, 2008, at 9:00 a.m..

Prepared by: Deborah McFerrin

ACCEPTED and APPROVED by the Commission on the 4th day of December 2008.

Kathleen A. "Cindy" Lewis, Chairman

BEFORE THE PUBLIC SERVICE COMMISSION OF WYOMING

Minutes of Regular Open Meeting

Monday, August 18, 2008

9:00 a.m.

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

Jake Albrandt, customer of SourceGas Distribution (by telephone)
Jay Albrandt, customer of SourceGas Distribution (by telephone)
Cliff Angelo, Public Strategies, Inc.
Ben Breland, SourceGas Distribution (by telephone)
Cammy Cadwell, SourceGas Distribution
Dale Cottam, counsel for Accenture
Verlyn Engler, SourceGas Distribution (by telephone)
Jim Finlaw, Accenture
Paul Hickey, local counsel for SourceGas Distribution
Jody Levin, Qwest Corporation
Norm Long, SourceGas Distribution
Michael Noone, SourceGas Distribution
Edie Ortega, CenturyTel
Greg Park, SourceGas Distribution
Kelley Pearson, local counsel for SourceGas Distribution
Brad Van Dyke, SourceGas Distribution
Judy Vialpando, SourceGas Distribution
Helen Wells, SourceGas Distribution
Sue Wilson, customer of SourceGas Distribution (by telephone)
Wayne Wilson, customer of SourceGas Distribution (by telephone)
Liz Zerga, counsel for Range Telephone Companies

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

Commission Staff: Blair Bales, Vicky Hansen, Luy Luong, Steve Mink,
Chris Petrie, Art Schmidt, Barbara Taylor-Iversen, Dave Walker, Darrell
Zlomke

REGULAR AGENDA ITEMS

- 1. Docket No. 90000-104-TI-08 (Record No. 11698) The Commission's investigation, on its own motion, into the quality and reliability of service provided by telecommunications companies in Wyoming. Commission to consider issuance of an Order requiring telecommunications companies, including, but not limited to, CenturyTel of Wyoming, Inc., to provide information relevant to the Commission's inquiry.** Chris Petrie, Commission Chief Counsel, said the proposed questions are the result of the public comment hearing held in Medicine Bow, Wyoming. Mr. Petrie said

the questions are still in draft format, and the information requested may also be addressed to other telecommunications providers. Edie Ortega of CenturyTel said her company is looking forward to working with the Commission in its investigation and is already addressing some of the issues raised in Medicine Bow. There were no further comments or questions. Deputy Chairman Oxley moved to issue a Letter Order or Letter Orders requiring the pertinent companies to provide information as requested. He requested the Letter Order include information relevant to confidentiality of responses and require responses from the companies with 30 days. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.

2. **Docket No. 30022-111-GA-08 (Record No. 11662) Application of SourceGas Distribution, LLC, (SourceGas) for authority to abandon natural gas service to eight customers and eleven premises in the Shoshoni area in Fremont County, Wyoming. Commission to receive a construction progress report from SourceGas.** Verlyn Engler of SourceGas provided an update on construction of the new pipeline. He said the agreement with Encana to provide service has been extended until September 15, 2008, if necessary, and meetings are being scheduled with the customers to address the construction progress, switchover to new service, and the Choice Gas program options available. Jake Albrandt, SourceGas customer, said the company has been keeping the customers up-to-date on construction activities and said they do not have any concerns at this time. There were no further comments or questions. Chairman Lewis directed SourceGas to continue providing construction updates and to provide the Commission with emails or correspondence documenting Encana's agreement to extend service through September 15, 2008. No further action was needed or taken.
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 eleven issues found in the audit report ordered by the Commission. Brad Van Dyke of SourceGas reported that eight of the items have been resolved, and the remaining items should be resolved by mid-September. After discussion of previously-noted problems and issues which have arisen since the last report, the company was requested to provide further updates at an open meeting on November 13, 2008. A Letter Order was authorized to document the items being requested, including (1) an explanation of the rationale behind not prorating the monthly customer charge and whether or not a tariff change would be required to allow proration; (2) a written update on the status of customer refunds for excess monthly customer charges; (3) an explanation of why there is no service-level credit due to SourceGas from Accenture for the errors because Accenture did not credit direct bill debits to customer accounts or they credited them without deductions from customer bank accounts; (4) detail of the amounts of money lost by SourceGas due to delayed payments resulting from direct bill errors; (5) a check of LIEAP receipts versus the number of LEIAP customers receiving service with a brief summary of the results. No further action was requested or taken.

A full audio transcript is available for this open meeting.

Next Open Meeting: Tuesday, August 19, 2008, at 1:30 p.m..

Prepared by: Deborah McFerrin

ACCEPTED and APPROVED by the Commission on the 4th day of December 2008.

Kathleen A. "Cindy" Lewis, Chairman

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

Tuesday, August 19, 2008
1:30 p.m.

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

Danny Eyre, Bridger Valley Electric Association (by telephone)
Lindsay Woznick, counsel for Rocky Mountain Pipeline System, LLC

Commission Staff: Jess Bottom, Vicky Hansen, Dave Lucero

REGULAR AGENDA ITEMS

1. **Docket No. 10013-40-CT-08 (Record No. 11778) Application of Bridger Valley Electric Association, Inc., (BVEA) for authority to revise its rules and regulations. Commission to consider and act on application.** Jess Bottom, Commission Advisory Staff (CAS), provided a technical memo dated August 6, 2008. Danny Eyre of BVEA said the application is to revise connection and collection fees which have been in effect since 1985 and no longer cover their costs. He said BVEA proposes to increase each fee by \$20, resulting in an increase in revenue of approximately \$20,000 to \$25,000 per year. Mr. Bottom said public notice was provided in the company's service area, and no requests for hearing, comments or complaints were received. There were no further comments or questions. Mr. Bottom recommended approval of the application by Order only, with an effective date of September 1, 2008. Deputy Chairman Oxley moved to take action as recommended. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.

2. **Docket No. 50050-13-PT-08 (Record No. 11796). Tariff filing of Rocky Mountain Pipeline System LLC, (RMPS) for authority to change its tariff on less than thirty (30) days notice to increase its transmix charge from \$0.01 per barrel to \$0.0526 per barrel. Commission to consider and act on the petition for authority to change tariff and petition for confidential treatment of Exhibit C and of its Shippers List.** Jess Bottom, CAS, provided a technical memo dated August 14, 2008. Lindsay Woznick, counsel for RMPS said the increase would allow the company to reach a break-even point in recovering shipping costs. She said RMPS is not currently recovering its costs; but due to the fluctuating market and constant change in prices, it is difficult to fix an appropriate charge. Ms. Woznick said company notified its shippers, and they have agreed to the requested change. Vicky Hansen, Commission counsel, verified individual letters were sent to the shippers notifying them of the requested change, and no protests have been received. There were no further comments or questions. Ms. Hansen recommended approval of the tariff change and of the petition for confidential treatment, effective immediately, by Order only. Deputy Chairman Oxley moved to take action as

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

A full audio transcript is available for this open meeting.

Next Open Meeting: Monday, August 25, 2008, at 1:30 p.m..

Prepared by: Deborah McFerrin

ACCEPTED and APPROVED by the Commission on the 4th day of December 2008.

Kathleen A. "Cindy" Lewis, Chairman

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

Monday, August 25, 2008
1:30 p.m.

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

Bruce Asay, local counsel for MDU Resources Group, Inc.
Doug Bennion, Rocky Mountain Power
Heide Caswell, Rocky Mountain Power
Bruce Gallagher, MDU Resources Group, Inc. (by telephone)
Joshua Jones, Rocky Mountain Power
Dave Mosier, Rocky Mountain Power
Dan Moylan, MDU Resources Group, Inc. (by telephone)
Daniel Solander, Rocky Mountain Power
Irvin Walker, Rocky Mountain Power
Chuck Witte, Wheatland Rural Electric Association

Commission Staff: Don Biedermann, Vicky Hansen, Luy Luong, Barbara Taylor-Iversen

CONSENT AGENDA ITEMS

1. **Docket No. 70000-1386-TK-08 (Record No. 11818) Contract filing of Qwest Corporation for authority to enter into a single Point of Presence (SPOP) amendment to its interconnection with T-Mobile USA, Inc. (fka Voicestream Wireless Corporation).**
2. **Undocketed. Open Meeting Minutes for review by the Commission for the Regular Open Meetings of May 6, 8, 14, 22 and 27, 2008.**
3. **Docket No. 90000-103-XO-08 (Record No. 11691) Proposed revision of Section 208 of the Commission's Procedural Rules and Special Regulations regarding certain *De Minimis* Transfers. Commission to consider closing this docket.**

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 Items 1 and 3 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, and Commissioner Byrnes seconded the motion. Chairman Lewis concurred.

REGULAR AGENDA ITEMS

1. **Docket No. 20000-321-EA-08 (Record No. 11708) Notification by Rocky Mountain Power (RMP) of a major event report on January 3 through January 5, 2008, which affected utility service in its Wyoming service territory. Commission to rule on inclusion of event as a major event. Company representatives will also discuss its Casper Area Reliability Status letter report.** Don Biedermann, Commission Advisory Staff (CAS), provided a technical memo dated August 18, 2008, which provided a summary of the events. Heide Caswell, RMP, gave an overview of the definitions and statistical analyses used by the power industry to set consistent methods of evaluating outage events. The event report for the listed period included outages in Pinedale, Douglas and wind-storm damage in Casper. Representatives from RMP reviewed the data report and responded to Commission questions. There were no further comments or questions. Mr. Biedermann recommended the events be recorded as a major event by Letter Order, effective immediately, and Dave Piroutek, Engineering Supervisor, requested the company be asked in the Letter Order to provide information on transformer maintenance actions taken in the Pinedale area. Deputy Chairman Oxley moved to take action as recommended. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred. The Casper Area Reliability Status Report was reviewed. It provided a summary of efforts being taken to improve reliability in Casper and was requested by Commission Order in 2007. Steve Mink, Commission Counsel, was asked to issue a letter to RMP directing it to file an updated report in six months.

2. **Docket No. 20000-331-EA-08 (Record No. 11793) Notification of Rocky Mountain Power of a major event report on May 22-23, 2008, which affected utility service in the Company's service territory in Wyoming. Commission to rule on inclusion of event as a major event.** Don Biedermann, CAS, provided a technical memo dated August 18, 2008. Doug Bennion and Joshua Jones of RMP provided details on the event, which was the result of tornado damage in Laramie. There were no further comments or questions. Mr. Biedermann recommended issuing a Letter Order, effective immediately, memorializing this as a major event. Deputy Chairman Oxley moved to issue the Letter Order, to be signed by Commission Counsel, as recommended. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.

3. **Docket No. 10005-40-CA-08 (Record No. 11839) Application of Wheatland Rural Electric Association, Inc., (WREA) for authority to revise its operating policies and Rules and Regulations. Commission to rule on authorization.** Don Biedermann, CAS, provided a technical memo dated August 15, 2008. Chuck Witte, WREA, reviewed the changes which include updating language in its rules for line extensions, mileage charges, automated meter reading, changing the delinquency date from the 15th to the 17th of each month, changing "mercury vapor lights" to "security lights," and eliminating the five-year payback provisions on line extensions. Mr. Witte said all proposed changes have been approved by the board of directors. There was some discussion regarding the language on Pages 2R and 4R, but no other comments or questions arose. Mr. Biedermann recommended approval of the application as requested by Notice and Order, effective immediately, with an effective date of September 1, 2008. He also

recommended the language in question on pages 2R and 4R be reviewed and reworded prior to the effective date. Deputy Chairman Oxley moved to take action as recommended, and Commissioner Byrnes seconded the motion. Chairman Lewis concurred.

4. **Docket Nos. 30013-206-GS-08 and 20004-74-ES-08 (Record No. 11831) Application of MDU Resources Group, Inc., (MDU) for authority to issue up to an additional \$1 Billion (\$1,000,000,000) worth of MDU Resources securities. Commission to consider and act on the application.** Luy Luong, CAS, provided a technical memo dated August 19, 2008. Dan Moylan of MDU explained that the new authority for \$1 billion in additional securities authorization would replace the existing authority for \$750 million previously approved by the Commission. He said the new securities would be used for acquisition of business assets and to retire existing securities. Bruce Asay, counsel for MDU, said there would be no impact on rate payers unless an item were to be included in a future rate case for Commission review and approval. Mr. Luong confirmed the company passes the securities test required by statute. There were no further comments or questions. Mr. Luong recommended approval of the application by Order only, effective immediately, and requested MDU be required to submit detail as transactions are made with the type, amount and purpose of each transaction. Deputy Chairman Oxley moved to take action as recommended. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.

A full audio transcript is available for this open meeting.

Next Open Meeting: Friday, August 29, 2008, at 1:30 p.m..

Prepared by: Deborah McFerrin

ACCEPTED and APPROVED by the Commission on the 30th day of December 2008.

Steve Oxley, Deputy Chairman

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

Friday, August 29, 2008
1:30 p.m.

Commissioners: Deputy Chairman Steve Oxley, presiding
Commissioner Mary Byrnes

Gary Abbate, SourceGas Distribution (by telephone)
Becky Dooley, RT Communications
Walter Eggers, local counsel for WIEC and Bresnan Communications
Jason Hendricks, RT Communications
Gordon Kraut, RT Communications (by telephone)
Bill Meckling, SourceGas Distribution (by telephone)
Rita Mulkern, Montana-Dakota Utilities (by telephone)
Kelley Pearson, local counsel for SourceGas Distribution
Liz Zerga, local counsel for RT Communications

Office of Consumer Advocate (OCA): Amy Zamora

Commission Staff: Don Biedermann, Michelle Bohanan, Vicky Hansen,
Dave Lucero, Steve Mink, Marci Norby, Art Schmidt, Tom Wilson

CONSENT AGENDA ITEMS

- 1. Docket Nos. 70000-1383-TK-08 and 70075-8-TK-08 (Record No. 11805) Contract filing of Qwest Corporation for authority to enter into Transit Rate Calculation Amendment to its Interconnect Agreement with 360networks (USA), Inc.**
- 2. Docket No. 20000-333-ER-08 (Record No. 11824) Application of Rocky Mountain Power for approval of a general rate increase of approximately \$33,501,142 per year or 7.1%. Commission to consider and act on the following:**
 - (a) Petition for Leave to Intervene by Questar Gas Management Company;**
 - (b) Petition to Intervene filed by Utility Workers Union of America, Local 127, AFL-CIO;**
 - (c) Wyoming Industrial Energy Consumers (WIEC) Petition for Leave to Intervene; and**
 - (d) WIEC Motion for Admission *pro hac vice* of Robert M. Pomeroy, Jr., Thorvald A. Nelson and Robyn A. Kashiwa.**
- 3. Undocketed. Open Meeting Minutes for review by the Commission for the Regular Open Meetings of March 28 and May 7, 2008.**

Deputy Chairman Oxley 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. Dave Lucero, Commission Counsel, recommended approval of Items 1 and 2 by Order only, effective immediately. Commissioner Byrnes moved to take action as recommended and to approve the Open Meeting Minutes in Item 3 as submitted. Deputy Chairman Oxley seconded the motion.

REGULAR AGENDA ITEMS

- 1. Docket No. 70015-62-TA-08 (Record No. 11800) RT Communications Inc.’s (RT) proposed plan for compliance with W.S. § 37-15-203(j). Commission to consider and act on proposed plan and RT’s request for confidential treatment of exhibits.** Art Schmidt, Commission Advisory Staff (CAS), provided a technical memo dated August 26, 2008. Deputy Chairman Oxley voiced his concern over wording of the notice provided in the Open Meeting Agenda, saying the notice failed to indicate an increase in rates for business customers. Liz Zerga, counsel for RT, asked that company representatives be allowed to present their case at this time with a Commission decision to be made at the next open meeting following a revised public notice. Ms. Zerga and company representatives then explained the proposed plan which would result in an increase in business class rates but an overall reduction in revenue. Commissioner Byrnes moved to grant RT’s petition for confidential treatment, and Deputy Chairman Oxley seconded the motion. After further discussion, Commissioner Byrnes moved to table the item until the next open meeting, and Deputy Chairman Oxley seconded that motion.
- 2. Docket No. 30013-207-GP-08 (Record No. 11844) Application of Montana-Dakota Utilities Co. (MDU) for authority to pass on a wholesale gas cost decrease of \$2.225 per annum (\$2.227 for optional seasonal customers). Commission to consider and act on application and MDU’s Petition for Confidential Treatment of Exhibit 3a to the application.** Don Biedermann, CAS, provided a technical memo dated August 18, 2008. Deputy Chairman Oxley pointed out that the public notice provided in this agenda was incorrect. He said the correct language should be “\$2.225 per decatherm” rather than “\$2.225 per annum.” As a result, Commissioner Byrnes moved to table the item until the next open meeting to allow proper public notice. Deputy Chairman Oxley seconded the motion.
- 3. Docket No. 30022-119-GP-08 (Record No. 11836) Application of SourceGas Distribution, LLC, (Casper Division) for authority to pass on through its commodity balancing account a decrease of \$1.0344 per Dth to its Pass-On Rate [Regulated Rate] customers. Commission to consider and act on the company’s application and Petition for Confidential Treatment of Exhibit E.** Michelle Bohanan, CAS, provided a technical memo dated August 27, 2008. Gary Abbate of SourceGas said the request is for a regularly-scheduled pass-on adjustment of the commodity cost, surcharge cost and working gas storage cost which results in an overall decrease. Mr. Abbate said the adjustment, although a decrease from current rates, would still be about 33% more for average Pass-On Rate [Regulated Rate] users than last September’s rates. There were no

further comments or questions. Vicky Hansen, Commission Counsel, recommended approval of the application and of the Petition for Confidential Treatment by Notice and Order, effective immediately, for usage on and after September 1, 2008. Commissioner Byrnes moved to take action as recommended, and Deputy Chairman Oxley seconded the motion.

4. **Docket No. 30022-120-GP-08 (Record No. 11837) Application of SourceGas Distribution, LLC, (Gillette Division) for authority to pass-on through its commodity balancing account a decrease of \$1.6255 per Dth to its Pass-On Rate [Regulated Rate] Customers. Commission to consider and act on the application and Petition for Confidential Treatment of Exhibit E.** Art Schmidt, CAS, provided a technical memo dated August 26, 2008. Gary Abbate, SourceGas, said this is a regular quarterly adjustment for Pass-On Rate [Regulated Rate] customers in the Gillette Division, and the decrease is made up of two components—the commodity and surcharge costs. He said the proposed decrease would result in a reduction of approximately 12.5% over current costs for the average user but is of about 27.5% more than the previous September's rates. There were no further comments or questions. Steve Mink, Commission Counsel, recommended approval of the application and the Petition for Confidential Treatment by Notice and Order, effective immediately for usage on and after September 1, 2008. Commissioner Byrnes moved to take action as recommended, and Deputy Chairman Oxley seconded the motion.

5. **Docket No. 30022-121-GP-08 (Record No. 11838) Application of SourceGas Distribution, LLC, (Torrington Division) for authority to pass on through its commodity balancing account a decrease of \$2.2831 per Dth to its Pass-On Rate [Regulated Rate] customers. Commission to consider and act on the company's application and Petition for Confidential Treatment of Exhibit E.** Marci Norby, CAS, provided a technical memo dated August 27, 2008. Gary Abbate of SourceGas said this is a regular pass-on adjustment request for the Pass-On Rate [Regulated Rate] customers in the Torrington Division with an overall decrease comprised of the commodity, surcharge and working gas storage adjustments. Mr. Abbate said the decrease would be approximately 16% over the current average bill but still represents an increase of about 15% over last September. Amy Zamora of the OCA asked for an explanation of the apparent over-earnings in the financial statements provided with the application. Bill Meckling of SourceGas said the reports were discussed with Commission staff; and Ms. Norby said that, although the rate of return on equity appears to be over 11%, the rate of return on rate base is 8.59%, which is very close to the amount authorized in the last general rate case. After further discussion, Dave Lucero, Commission Counsel, recommended approval of the application and Petition for Confidential Treatment by Notice and Order, effective immediately, for usage on and after September 1, 2008. He also recommended the company be directed to provide more comprehensive, normalized financial data on or before September 30, 2008, to allow Commission staff and the OCA to review and determine if the company is over-earning. Mr. Lucero further recommended that, if SourceGas is over-earning, it be requested to provide normalized financial data indicating return on rate base with each future quarterly pass-on application. Commissioner Byrnes moved to take action as recommended with the

assurance that OCA have access to information filed by SourceGas, and Deputy Chairman Oxley seconded the motion.

A full audio transcript is available for this open meeting.

Next Open Meeting: Wednesday, September 3, 2008, at 10:00 a.m.

Prepared by: Deborah McFerrin

ACCEPTED and APPROVED by the Commission on the 22nd day of January, 2009.

Kathleen A. "Cindy" Lewis, Chairman