

BEFORE THE PUBLIC SERVICE COMMISSION OF WYOMING

Minutes of Regular Open Meeting
Wednesday, December 5, 2007, at 1:30 p.m.

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

Brian Iverson, counsel for Cheyenne Light, Fuel and Power Company
Scott Kolpitke, counsel for Beartooth Electric Cooperative, Inc. (by telephone)

Mark Stege, Cheyenne Light, Fuel and Power Company
John Sundahl, counsel for Cheyenne Light, Fuel and Power Company
Bob Walker, Beartooth Electric Cooperative, Inc. (by telephone)
Kyle White, Black Hills Power

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

Commission Staff: Blair Bales, Don Biedermann, Vicky Hansen, Mike Korber, Luy Luong, Marci Norby, Chris Petrie

CONSENT AGENDA FOR ROUTINE ACTION ITEMS

- 1. Docket No. 70009-301-TK-07 (Record No. 11478) United Telephone Company of the West, d/b/a Embarq, request for authority to enter into a Master Interconnection, Collocation and Resale Agreement with TeleQuality Communications, Inc.**
- 2. Undocketed. Open Meeting Minutes for review by the Commission for the Regular Open Meeting of October 19, 2007.**
- 3. Docket No. 70009-294-TT-07 (Record No. 11253) Tariff filing of United Telephone Company of the West-Wyoming, d/b/a Embarq, for authority to reduce local access line rates and consumer and business bundled packages and increase intrastate switched access rates. Consider and act on Embarq's motion for extension of time to file post-hearing briefs.**

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. Dave Lucero, Commission Counsel, recommended approval of Item 1 by Order only, effective immediately, as public notice has already been provided; and he recommended granting the motion in Item 3 by Order only. Deputy Chairman Oxley moved to approve Item 1 by Order only, effective immediately, and Item 3 by Letter Order, effective immediately, and moved to accept the minutes in Item 2

as submitted. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.

REGULAR AGENDA ITEMS

1. **Docket No. 30005-113-GP-06 (Record No. 11317) Amended application of Cheyenne Light, Fuel and Power Company (Cheyenne Light) to amend its GCA tariffs to change the filing from annually to quarterly; and**

Docket No. 30005-114-GP-07 (Record No. 11367) Amended application of Cheyenne Light, Fuel and Power Company to pass on a wholesale gas cost increase of \$1.1716 per decatherm for residential and commercial customers and an increase of \$1.4624 per decatherm for interruptible customers.

Commission to consider and act on joint motion of Cheyenne Light and the Office of Consumer Advocate (OCA) to vacate December 17, 2007, public hearing and set applications for consideration at an open meeting. John Sundahl, counsel for Cheyenne Light, said discussions with the OCA have resulted in a resolution of the OCA's concerns and a withdrawal of the OCA's request for a hearing in these matters. Mr. Sundahl said a stipulation and agreement between the parties has been reached, and they felt these matters could be adequately heard in an open meeting. Dave McMullian, OCA, concurred with Mr. Sundahl's summary. Dave Lucero, Commission Counsel, verified the request is only to vacate the formal hearing dates, and said Commission staff also feels an open meeting would be sufficient to hear the applications. There were no further comments or questions. Mr. Lucero recommended approval of the joint motion to withdraw and vacate the hearing dates by Notice and Order, effective immediately. Deputy Chairman Oxley moved to take action as recommended. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.

2. **Docket No. 10017-14-CA-07 (Record No. 11517) Application of Beartooth Electric Cooperative, Inc. (Beartooth), for exemption from retail rate regulation.** Darrell Zlomke, Commission advisory staff (CAS), provided a technical memo dated November 14, 2007. Scott Kolpitke, counsel for Beartooth, said the members voted during the annual meeting on September 22, 2007, to request exemption from regulation by the Wyoming Commission under W. S. § 37-17-103 which became effective July 1, 2007. He said it was Beartooth's belief that, despite being a Montana corporation, it is a company organized under the laws of the State of Wyoming and is thus eligible for exemption. Deputy Chairman Oxley pointed out that all of the documentation provided by Mr. Kolpitke indicates Beartooth is a corporation organized under the laws of the State of Montana and is a foreign corporation doing business in Wyoming. Chairman Lewis said the application indicates the board of directors adopted a resolution on June 8, 2007, to exempt Beartooth from regulation in Wyoming, and this action took place prior to the effective date of the law. After some discussion, Chairman Lewis moved to issue an Order to deny the application as Beartooth's board of directors acted to request exemption prior to the effective date of the law. The Chairman added that the Order could include language pointing out that Beartooth is not a corporation organized in Wyoming

and thus may not be eligible for exemption from regulation. Deputy Chairman Oxley seconded the motion, and Commissioner Byrnes concurred.

A full audio transcript is available upon request.

Next Open Meeting: Tuesday, December 18, 2007, at 9:00 a.m.

Prepared by: Deborah McFerrin.

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

Kathleen A. "Cindy" Lewis, Chairman

BEFORE THE PUBLIC SERVICE COMMISSION OF WYOMING

Minutes of Regular Open Meeting
Tuesday, December 18, 2007, at 9:00 a.m.

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

Bud Becker, SourceGas Distribution, LLC
Ben Breland, SourceGas Distribution, LLC
Cammy Cadwell, SourceGas Distribution, LLC
Filomena Gogel, Accenture
Bill Meckling, SourceGas Distribution, LLC
Brad Van Dyke, SourceGas Distribution, LLC
Helen Wells, SourceGas Distribution, LLC

Commission Staff: Blair Bales, Marchia Johansen, David Lucero, Shirley McCown, Chris Petrie, David Piroutek, Darrell Zlomke

- 1. Undocketed. Representatives from SourceGas Distribution LLC (SourceGas) will make a presentation and answer questions regarding its recent conversion to a new billing system.** Bud Becker, SourceGas, introduced the attendees and said the conversion to a new billing system was planned prior to the recent sale of the company. Ben Breland continued by saying conversion to the new customer care system began on September 2, 2007, for 245,000 customers across Wyoming, Colorado and Nebraska, of which 72,000 are located in Wyoming. He said a request for proposals was put out with three providers chosen for final evaluation. The final choice was Accenture, operating in Canada; and the selection was based on several criteria—quality of service, knowledge of natural gas business, latest technology, part of technology as browser-based system for customer ease of use, and cost considerations. Mr. Breland and other SourceGas representatives responded to Commission questions regarding the call center personnel and training, follow-up surveys, differences in costs, type and response time for handling customer calls.

Mr. Breland also provided information on the new customer billing system which has totally replaced the old system through a contract with First Data in Omaha, Nebraska. He said the new system has some upgraded features, including on-line bill paying, payments by credit card and an improved group billing capability. Mr. Breland said some problems have been encountered causing slow or double billing, but he hopes most of these will be resolved by the end of the current billing cycle. Brad Van Dyke, Source Gas, said collections were put on hold until January during the resolution of the billing problems. He explained some of the problems encountered but assured the Commission the billing system would be back on track within the next month. Overall, Mr. Breland said, the process of converting to the new billing system has gone more quickly than the original estimate of six months.

Mr. Breland said the company is accumulating data on the efficiency of the new call center and billing system. The Commission thanked SourceGas personnel for their presentation and expressed a desire to have an update at a later time to report on progress. There was no formal action requested or taken at this time.

A full audio transcript is available upon request.

Next Open Meeting: Wednesday, December 19, 2007, at 10:00 a.m.

Prepared by: Deborah McFerrin.

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

Kathleen A. "Cindy" Lewis, Chairman

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

Wednesday, December 19, 2007

10:00 a.m.

Attendees

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

Bud Becker, counsel for SourceGas Distribution, LLC
Ben Breland, SourceGas Distribution, LLC
Kent Harris, SourceGas Distribution, LLC
Paul Hickey, counsel for SourceGas Distribution, LLC
Bill Meckling, SourceGas Distribution, LLC

Office of Consumer Advocate (OCA): Denise Parrish, Amy Zamora

Commission Staff: Blair Bales, Vicky Hansen, Marci Norby, David Piroutek, Barbara Taylor-Iversen, Dick Valent, Darrell Zlomke

Docket No. 30022-79-GA-07 (Record No. 10637) Application 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. Commission to discuss compliance report and associated documents, and perhaps render a decision. Darrell Zlomke and Marci Norby, Commission Advisory Staff (CAS), provided a technical memo dated November 8, 2007. Bud Becker, SourceGas Distribution, said the company was ready to present its report in compliance with the Commission's Order issued on September 26, 2006, which approved the construction of facilities for withdrawal of gas stored at the site. Mr. Becker provided a summary of costs, the bidding process and the production results. He said operations have been completed using the conditions set out in the order and discussed with Commission staff, the required compliance report has been provided, and SourceGas would now like to obtain Commission permission to implement the rebate to its Casper Division customers. Denise Parrish, OCA, and Commission staff expressed their concerns on how the process was conducted, and the Commissioners also expressed their concerns that the project was undertaken in winter when costs would be the highest and the most economical methods were not used to maximize the return to SourceGas customers. There were no further comments or questions. Commissioner Byrnes said that, even with the questionable process, it would be better to return the money to the customers and remove these assets from the rate base, and she moved to approve the compliance filing. Chairman Lewis seconded the motion, and Deputy Chairman Oxley concurred. The meeting was then adjourned until 1:30 p.m.

1:30 p.m.

Attendees

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

Sheldon Albertson, Niobrara Electric Association, Inc.
Bruce Asay, counsel for Pinedale Natural Gas, Inc.
Colleen Bell, Questar Gas Company (by telephone)
Dave Curtis, Questar Gas Company (by telephone)
Mike Easley, Powder River Energy Corporation (by telephone)
Walter Eggers, counsel for Wyoming Industrial Energy Consumers
David Hedrick, consultant, C. H. Guernsey & Company (by telephone)
Jeff Hohn, High Plains Power, Inc.
Jeff Hoppe, consultant, C. H. Guernsey & Company (by telephone)
Brian Iverson, Cheyenne Light, Fuel and Power Company (by telephone)
Bryan Lee, Frannie-Deaver Utilities (by telephone)
Chuck Larsen, Carbon Power and Light, Inc.
Don Martinez, Cheyenne Light, Fuel and Power Company (by telephone)
Gilmer Mickey, Pinedale Natural Gas, Inc. (by telephone)
Debbie Reichert, Carbon Power and Light, Inc.
Alison Roberts, Powder River Energy Corporation (by telephone)
Mark Stege, Cheyenne Light, Fuel and Power Company
John Sundahl, counsel for Cheyenne Light, Fuel and Power Company
Russell Waldner, Carbon Power and Light, Inc.
Chuck Witte, Wheatland Rural Electric Association.

Office of Consumer Advocate (OCA): David McMullian, Ivan Williams,
Tom Wilson, Amy Zamora

Commission Advisory Staff (CAS): Blair Bales, Don Biedermann, Jess
Bottom, Vicky Hansen, Dave Lucero, Luy Luong, Steve Mink, Marci
Norby, Art Schmidt, Barbara Taylor-Iversen

CONSENT AGENDA FOR ROUTINE ACTION ITEMS

- 1. Undocketed. Open Meeting minutes for review by the Commission for the Regular Open Meetings of November 9, 16, 19 and 28 and December 7, 2007.** Chairman Lewis introduced the consent agenda item. Deputy Chairman Oxley moved to approve the listed minutes as submitted. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.

REGULAR AGENDA ITEMS

- 1. Docket No. 10014-99-CR-07 (Record 11399) Powder River Energy Corporation (PRECorp) request for authority to implement a general rate increase of \$569,452 per annum and revise tariffs.** Don Biedermann, CAS, provided a technical memo dated December 11, 2007. Mike Easley of PRECorp said the company is seeking an overall increase which would produce financial performance in compliance with the company's mortgage requirements and bring the rates of return for each class nearer to the average. Ivan Williams, OCA, said his office intervened in the docket but was not requesting a hearing at this time. Mr. Williams said comments were filed on December 17, 2007, wherein the OCA recommended approval of the application with some additional recommendations. Tom Wilson, OCA, reviewed these recommendations which included a review in the next rate case of the declining block rates. Walter Eggers, counsel for Wyoming Industrial Energy Consumers (WIEC), said WIEC also intervened in the docket and has since filed comments in support of the application. There were no further comments or questions. Mr. Biedermann recommended approval of the application by Order only, effective immediately, for usage on and after January 10, 2008. Deputy Chairman Oxley moved to accept the staff recommendation. Chairman Lewis seconded the motion for purposes of discussion and asked if the Order should include a direction to provide options in rate structure as suggested by the OCA. After discussion, Deputy Chairman Oxley moved to approve the application as recommended and to direct PRECorp to provide alternative rate structures which move away from declining block rates for discussion and consideration in the next rate case. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.

- 2. Docket No. 20003-93-EP-07 (Record No. 11545) Commission to consider application of Cheyenne Light, Fuel and Power Company (Cheyenne Light) for authority to pass on to its electric customers a decrease in its wholesale electric supply cost of \$3,739,269 for the period of January 1, 2008, through December 31, 2008, and Petition for Confidential Treatment of Electric Strategy and Financial Forecasting.** Marci Norby, CAS, provided a technical memo dated December 17, 2007. Brian Iverson, counsel for Cheyenne Light, said this application is a follow-up to the general rate case to return the excess balance in the commodity balancing account at the end of October 2007 to customers on a per kilowatt-hour basis beginning January 1, 2008. In response to questions from the Commission and staff, Mr. Iverson said the proposal would put any adjustments for November and December into 2009, and although it is not known at this time whether there will be an overcollection in 2008, an out-of-period adjustment would be filed if necessary to reach a balance as close to zero as possible by the end of 2008. Amy Zamora, OCA, said she had reviewed the application and recommended Cheyenne Light review the balancing account status on a quarterly basis and adjust its rates as needed. Mr. Iverson assured the Commission any overcollection would be refunded to customers on a timely basis. There were no further comments or questions. Ms. Norby recommended approval of the application by Notice and Order, effective January 1, 2008, and further recommended Cheyenne Light file appropriate tariffs prior to January 1. Ms. Norby added she would like to see periodic reports to monitor the status of the balancing

account compared to Cheyenne Light's projections. Deputy Chairman Oxley moved to approve the application as recommended. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred. The petition for confidential treatment was addressed with agenda Item 4 below.

3. **Docket No. 30005-113-GT-07 (Record No. 11317) Application of Cheyenne Light, Fuel and Power Company (Cheyenne Light) for authority to amend its GCA tariffs to change the filing period from annually to quarterly.** Marci Norby, CAS, provided a technical memo dated December 14, 2007. Brian Iverson, counsel for Cheyenne Light, said the application was filed in August, but the OCA intervened in the docket. As a result of discussions since then with the OCA and Commission staff, changes have been made to include utilization of compound interest rather than simple interest on over-recovered balances in the commodity balancing account and to change the rolling 12-month amortization of the account to a three-month amortization. Mr. Iverson said the company feels quarterly adjustments would provide more accurate rates in light of the volatile marketplace. There were no further comments or questions. Ms. Norby recommended approval of the application by Notice and Order, effective immediately. Deputy Chairman Oxley moved to take action as recommended. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.

4. **Docket No. 30005-114-GP-07 (Record No. 11367) Cheyenne Light, Fuel and Power Company (Cheyenne Light) request for authority to pass on a wholesale gas cost increase of \$1.1716 per decatherm for firm rate classes and \$1.4624 for interruptible class customers. Commission to consider final approval of the pass-on and Petition for Confidential Treatment. Company representatives will present this application in conjunction with Docket 30005-113-GT-07.** Don Biedermann, CAS, provided a technical memo dated December 7, 2007. Brian Iverson, counsel for Cheyenne Light, said this application is a result of the now-approved application to file cost adjustments on a quarterly basis. Amy Zamora, OCA, said a review of the application did not result in any objections to the methods used by Cheyenne Light to calculate the pass-on adjustment. Mr. Iverson also requested confidential treatment of the proprietary forecast and financial information in this application and in Item 2 above. There were no further comments or questions. Mr. Biedermann recommended approval of the petitions for confidential treatment and of this application by Notice and Order, effective immediately, for usage on and after January 1, 2008, and further recommended Cheyenne Light be excused from the requirement for a quarterly deferred gas cost balancing report as the report will be replaced by the quarterly adjustment applications. Deputy Chairman Oxley moved to take action as recommended. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.

5. **Docket No. 20003-92-ET-07 (Record No. 11544) Cheyenne Light, Fuel and Power Company (Cheyenne Light) request to extend a voluntary renewable energy rider in its service area.** Don Biedermann, CAS, provided a technical memo dated December 11, 2007. Mark Stege, Cheyenne Light, said the application makes no changes to the program previously approved in 2006, and the application is to extend the program for one year. Commissioner Byrnes asked if Cheyenne Light has specialists providing energy

audits. Mr. Stege said a list of contractors was available, and he would provide a copy to the Commission. There were no further comments or questions. Mr. Biedermann recommended approval of the extension by Order only to be effective with expiration of the existing tariff on December 31, 2007, and requested the company be required to file reports on a 6- and 12-month basis as was previously ordered. Deputy Chairman Oxley moved to grant the application to renew the program for calendar year 2008, and to include the requirement for reports as requested. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.

- 6. Docket No. 10008-35-CP-07 (Record No. 11536) Application of Niobrara Electric Association, Inc. (Niobrara Electric), for authority to pass on to its customers a power cost increase of \$371,076 or 7.29% per annum.** Jess Bottom, CAS, provided a technical memo dated December 10, 2007. Sheldon Albertson, Niobrara Electric, said the application is the result of an increase in its wholesale rates from Tri-State Generation & Transmission Association, Inc., and is a dollar-for-dollar flow through of the new rates. Mr. Albertson also said the company has been working with Commission staff to provide a fair and equitable assignment of the increase across all classes of service. Commissioner Byrnes asked if Niobrara Electric had any energy audit specialists available, and Mr. Albertson said the company has two electricians available to provide free residential home audits and conservation assistance to businesses. There were no further comments or questions. Mr. Bottom recommended approval of the application by Notice and Order, effective immediately, for usage on and after January 1, 2008. Deputy Chairman Oxley moved to act as recommended. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.
- 7. Docket No. 30016-49-GP-07 (Record No. 11406) Amended application of Pinedale Natural Gas, Inc. (Pinedale), for authority to pass on a wholesale gas cost decrease of \$1.05 per decatherm through its commodity balancing account. Commission to consider Motion to Substitute Redacted Copy of Attachment.** Bruce Asay, counsel for Pinedale, said the request is to replace the copy for public record with a redacted version which removes the names of Pinedale's suppliers. Mr. Asay said all financial information would remain the same, and the confidential copy could also remain in the Commission's files for staff use. There were no further comments or questions. Blair Bales, Commission Counsel, recommended granting the motion by Order only, effective immediately. Deputy Chairman Oxley moved to issue a Letter Order directing that the public file copy of the document in the motion be removed from the public file and be retained in the confidential files for reference purposes only and be protected under Section 120 of the Commission's Rules, with the Letter Order to be effective immediately. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.
- 8. Docket No. 30016-45-GS-07 (Record No. 11246) Pinedale Natural Gas, Inc. (Pinedale), request for approval of certain loans. Commission to consider and possibly act on request. Company is also seeking approval of its Petition for confidential treatment pursuant to Rule Section 120 of a letter received from First Interstate Bank.** Don Biedermann, CAS, provided a technical memo dated December 11, 2007. Bruce Asay, counsel for Pinedale, said the request is in response to a prior

Order which pointed out that Commission approval had not been sought for the two loans. He said one of these loans has since been paid in full, but the company would like to legitimize both of them. Mr. Asay said it is the company's belief that it has now satisfied all statutory requirements and is requesting final approval of the loans. Confidential treatment of the letter from First Interstate Bank was also being requested to protect proprietary information. Bryce Freeman, OCA, expressed concern that failure to request prior approval of these loans results in financing options not being properly explored, but he added that his office is not seeking at this time to disallow the loans. Mr. Biedermann also expressed some concern, saying Pinedale still has not supplied the requested detail on use of the shareholder loans also discussed in the rate case, but he said it appears that statutory requirements have now been met for the two bank loans under discussion. Dave Lucero, Commission Counsel, said the shareholder loans and the bank loans could be considered separately and, if the bank loans are not approved, there could be an impact on Pinedale's ability to seek future loans if needed. There were no further comments or questions. The Commissioners agreed that further information is still needed on the shareholder loans. Deputy Chairman Oxley then moved to grant the petition for confidential treatment and to habilitate the loans described in this application on the basis of information developed and brought before the Commission. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.

9. **Docket No. 10002-72-CP-07 (Record No. 11552) Application of Carbon Power and Light, Inc. (Carbon Power), for authority pass on to its customers a wholesale power cost increase of \$623,682 per annum or approximately 11.8%.** Art Schmidt, CAS, provided a technical memo dated December 17, 2007. Charles Larsen, General Manager of Carbon Power, said the request is to pass on a wholesale cost increase from its supplier, Tri-State Generation & Transmission Association, Inc. He said discussions with Commission staff are addressing such concerns as the need for a general rate adjustment and the fact that the Operating Times Interest Earned Ratio (OTIER) is below federal RUS requirements. Mr. Larsen expressed the hope that small rate increases over the next couple of years would allow for improvement in earnings without a large impact on customers, and the possibility of adding some large commercial accounts should improve the company's outlook. In response to Commission questions, Mr. Larsen said Carbon Power does have a member services department with personnel trained to perform commercial and home energy audits free of charge for members. There were no further comments or questions. Mr. Schmidt recommended approval of the application by Notice and Order, effective immediately, for usage on and after January 1, 2008, with the request that quarterly updates be provided on Carbon Power's financial status and potential new customer demand. Deputy Chairman Oxley moved to take action as recommended, and Commissioner Byrnes seconded the motion. Chairman Lewis concurred.

10. **Docket No. 10005-38-CP-07 (Record No. 11538) Application of Wheatland Rural Electric Association (Wheatland REA) for authority pass on to its customers a wholesale power cost increase of \$847,023 per annum.** Art Schmidt, CAS, provided a technical memo dated December 14, 2007. Charles Witte, Wheatland REA, said the request is to pass on a cost increase from its supplier, Tri-State Generation & Transmission Association, Inc.. He added that the company does have the ability to

conduct energy audits, primarily for commercial customers, and does have demand-side management programs in place. There were no further comments or questions. Steve Mink, Commission Counsel, recommended approval of the pass-on by Notice and Order, effective immediately, for usage on and after January 1, 2008. Deputy Chairman Oxley moved to take action as recommended. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.

11. **Docket No. 10020-36-CP-07 (Record 11532) High Plains Power Inc. (High Plains) request for authority to pass on a wholesale power cost increase of \$3,353,355 per annum.** Don Biedermann, CAS, provided a technical memo dated December 11, 2007. Jeff Hohn of High Plains said the application results from an increase in rates by Tri-State Generation & Transmission Association, Inc., its wholesale supplier. He added that the schedule showing the increases to different classes was reviewed the OCA as well as Commission staff. There were no further comments or questions. Mr. Biedermann recommended approval of the application by Notice and Order, effective immediately, for usage on and after January 1, 2008. Deputy Chairman Oxley moved to take action as recommended. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.
12. **Docket No. 30007-84-GP-07 (Record No. 11556) Application of Frannie-Deaver Utilities for authority to pass on a commodity balancing account increase of \$0.5068 per MCF.** Jess Bottom, CAS, provided a technical memo dated December 13, 2007. Bryan Lee, Frannie-Deaver Utilities, said the request is based on a three-month projection for January through March. Mr. Bottom added that the pass-on is on a dollar-for-dollar basis and should not alter the company's operating ratio. There were no further comments or questions. Steve Mink, Commission Counsel, recommended approval of the application by Notice and Order, effective immediately, for usage on and after January 1, 2008. Deputy Chairman Oxley moved to take action as recommended. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.
13. **Docket No. 30010-91-GS-07 (Record No. 11523) Questar Gas Company (Questar) has filed for authority to issue up to \$150 million of debt securities.** Luy Luong, CAS, provided a technical memo dated December 14, 2007. Dave Curtis of Questar said the company is requesting permission to raise \$150 million through the issuance of long-term publicly traded debt to be issued in the first quarter of 2008. Mr. Curtis said Questar will use the funds for a maturing long-term debt of approximately \$53 million, would like to fix interest rates on other debt incurred with variable rates, and use any remaining funds for on-going capital expenditures. He said the proposed plan offers the least cost for long-term financing. Mr. Luong said the application has met statutory requirements, and the aggregate securities proposed do not exceed the value of the company. There were no further comments or questions. Mr. Luong recommended approval of the request by Order only, effective immediately. Deputy Chairman Oxley moved to act as recommended. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.

A full audio transcript is available upon request.

Next Open Meeting: Friday, December 21, 2007, at 9:00 a.m.

Prepared by: Deborah McFerrin

ACCEPTED and APPROVED by the Commission on the 11th day of March 2008.

Kathleen A. "Cindy" Lewis, Chairman

BEFORE THE PUBLIC SERVICE COMMISSION OF WYOMING

Minutes of Regular Open Meeting

Friday, December 21, 2007

9:00 a.m.

Attendees

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

Tammy Aberle, Montana Dakota Utilities (by telephone)
Bruce Asay, counsel for Dubois Telephone Exchange, Inc., and Energy West Incorporated
Walter Eggers, counsel for Bresnan Broadband of Wyoming
Mike Fox, RT Communications/Dubois Telephone Exchange
Jed Henthorne, Energy West Incorporated (by telephone)
Jeff Hubbard, Qwest Corporation
Kathy Kirchner, Bresnan Broadband of Wyoming (by telephone)
Jerry Lambert, Bresnan Broadband of Wyoming (by telephone)
Rollie Miller, Wyrulec Company
Rita Mulkern, Montana Dakota Utilities (by telephone)
Mike Rosenthal, counsel for Tri-County Telephone
Wally Wolski, Wyrulec Company
Cathy Wolverton, Energy West Incorporated (by telephone)

Office of Consumer Advocate (OCA): Bryce Freeman

Commission Staff: Blair Bales, Vicky Hansen, Dave Lucero, Marci Norby, Art Schmidt

CONSENT AGENDA FOR ROUTINE ACTION ITEMS

1. **Docket Nos. 70007-49-TK-07, 70008-46-TK-07 and 62006-15-TK-07 (Record No. 11515) Joint contract filing of Dubois Telephone Exchange, Inc., and Union Telephone Company, Inc., for approval of a Wireless Interconnection Agreement.**
2. **Docket No: 20000-307-EA-07 (Record No. 11547) In the matter of the application of Rocky Mountain Power (RMP) for authority to sell, lease or dispose of certain utility plant or facilities.**

Chairman Lewis introduced the consent agenda items and asked if there were any requests to withdraw the item for further consideration. There were no such requests nor

any comments or questions. Art Schmidt, Commission Advisory Staff (CAS), recommended approval of both consent agenda 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. 10016-48-CP-07 (Record No. 11401) Application of Wyrulec Company for authority to pass-on an increase in the wholesale cost of power in the amount of \$608,840 or 6.83% to its member consumers.** Marci Norby, CAS, provided a technical memo dated December 14, 2007. Rollie Miller of Wyrulec Company said the pass-on reflects an increase in wholesale power rates by Tri-State Generation & Transmission Association, Inc., which supplies all of Wyrulec Company's power. Ms. Norby said the application meets requirements of Rule 249; and the rates set out are based on the cost of service study provided with the application. There were no further comments or questions. Since public notice was previously provided, Ms. Norby recommended approval of the application by Order only, effective immediately, for usage on and after January 1, 2008, and further recommended the company be directed to file its tariffs before January 1, 2008. Deputy Chairman Oxley asked if the tariff filing should be concurrent with filing of the tariffs resulting from the general rate case, and Ms. Norby replied in the affirmative. Deputy Chairman Oxley then moved to take action as recommended, including the filing of all tariffs by January 1, 2008. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.

2. **Docket No. 20004-69-EP-07 (Record No. 11546) Montana-Dakota Utilities Co. (MDU), a division of MDU Resources Group, Inc., application to pass on an electric cost adjustment decrease of \$0.00099 per Kwh, and petition for confidential treatment of Exhibit 2.a. pursuant to Section 120 of the Commission's Rules.** Luy Luong, CAS, provided a technical memo dated December 14, 2007. Rita Mulkern of MDU said the requested decrease reflects the fact that the surcharge adjustment is now included in the commodity balancing account, and the pass-on also includes the first load management tracking adjustment. Ms. Mulkern said the adjustment would not change MDU's rate of return, and the filing complies with Rules 249 and 250 and with MDU's tariff. MDU is also requesting confidential treatment of Exhibit 2.a. to the application to protect proprietary information. There were no further comments or questions. Mr. Luong recommended granting the petition for confidential treatment and approval of the pass-on by Notice and Order, effective immediately, for usage on and after January 1, 2008. Deputy Chairman Oxley moved to accept the staff recommendation. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.

3. **Docket No. 30011-53-GS-07 (Record No. 11537) Application of Energy West Incorporated (Energy West), d/b/a Energy West Wyoming, for authority to issue up to \$35 million of common stock.** Luy Luong, CAS provided a technical memo dated December 19, 2007. Jed Henthorne, Energy West Incorporated, said approval of the application would allow the company to issue up to \$35 million of equity securities over the next two years with virtually all the proceeds to be used for acquisition of utilities to

strengthen the company. Mr. Henthorne said that without approval, or if Energy West does not find suitable investments, it may be forced to pay down some long-term debt. Mr. Luong said the resulting capital structure would be equity-weighted, putting the risk on the shareholders. There were no further comments or questions. Mr. Luong recommended approval of the application by Order only, effective immediately. After verifying the standard securities disclaimer language would be included in the Order and that approval would be construed to be for the issuance of securities only and not for any resulting purchases, Deputy Chairman Oxley moved to approve the application as recommended. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.

4. **Docket Nos. 70000-1361-TA-07 and 70007-48-TA-07 (Record No. 11464) Joint application of Dubois Telephone Exchange, Inc., and Qwest Corporation for authority to transfer, assign and acquire certain certificated areas and to certificate certain currently uncertificated areas.** Luy Luong, CAS, provided a technical memo dated December 14, 2007. Bruce Asay, counsel for Dubois Telephone, said the two companies have coordinated to provide service to potential new customers in areas currently uncertificated or where Dubois Telephone has the closest facilities available. Mike Fox, Dubois Telephone, said the transaction would be permanent and is non-monetary. There were no further comments or questions. Mr. Luong recommended approval of the application by Order only, effective immediately, and requested both companies be directed to submit revised service area maps reflecting the changes. Deputy Chairman Oxley moved to take action as recommended. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.

5. **Docket No. 70114-15-TA-07 (Record No. 11417) Application of Bresnan Broadband of Wyoming, LLC (Bresnan), for a concurrent Certificate of Public Convenience and Necessity to provide local exchange telecommunication services in the area presently served by TCT West, Inc., and for recognition of status as a competitive services provider pursuant to W.S. § 37-15-202(c). Commission to consider Withdrawal of Request for Hearing by TCT, Bresnan's application, and Bresnan's Petition for Confidential Treatment to Attachment 5 to the Application.** Luy Luong, CAS, provided a technical memo dated December 5, 2007. Walter Eggers, counsel for Bresnan, said the application sets forth the facts and furnish evidence of Bresnan's ability to provide reliable local exchange services in the area requested. He said the services would be the same as those currently authorized in Qwest-certificated areas. Mike Rosenthal, counsel for TCT West, said his client had requested a hearing but is now withdrawing that request as TCT West's questions have been resolved to its satisfaction by Bresnan. In response to Commission questions, Mr. Eggers said no new construction is planned initially, but Bresnan would like the ability to expand in the future beyond its current cable service area in Basin and Greybull. There were no further comments or questions. Mr. Luong recommended granting the withdrawal of the request for hearing, granting the certificate of public convenience and necessity, and granting the petition for confidential treatment by Order only, effective immediately, as public notice has already been provided. Deputy Chairman Oxley moved to take action as recommended, and Commissioner Byrnes seconded the motion. Chairman Lewis concurred.

A full audio transcript is available upon request.

Next Open Meeting: Thursday, January 3, 2008, at 1:30 p.m.

Prepared by: Deborah McFerrin

ACCEPTED and APPROVED by the Commission on the 11th day of March 2008.

Kathleen A. "Cindy" Lewis, Chairman