

WYOMING PUBLIC SERVICE COMMISSION

Minutes of Regular Open Meeting
Thursday, February 2, 2017
1:30 p.m.

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

Ken Ceaglske, General Manager, Niobrara Electric Association

Commission Staff: Katie Koski, John Burbridge, Marci Norby, Luy Luong, Morgan Fish, Steve Mink and Michelle Bohanan

CONSENT AGENDA

1. **Docket No: 30010-162-GA-17 (Record No. 14631). Application of Questar Gas Company for approval of the Vermillion Acquisition as a Wexpro II property. Commission to:**
 - a. **Consider and act on Questar Gas Company's *Petition for Confidential Treatment of Certain Exhibits to the Application, Portions of the Testimony of Barrie L. McKay and Brady B. Rasmussen, and Exhibits 2.2, 3.2, 3.3, 3.5 and 3.7 (Petition)*; and**
 - b. **Consider issuance of a *Special Order Authorizing One Commissioner and/or Presiding Officer to Conduct Public Hearing*.**

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

REGULAR AGENDA

1. **Docket No. 10008-47-CS-16 (Record No. 14623). Amended Application of Niobrara Electric Association to borrow \$5,000,000 from the National Rural Utilities Cooperative Finance Corporation to finance improvements and upgrading of its facilities and services. Commission to consider and act on Amended Application.** Michelle Bohanan, CS, provided a technical *Memo* dated January 26, 2017. Ken Ceaglske, Niobrara Electric Association's General Manager, provided a brief explanation of the application for authorization of financing to upgrade and rebuild infrastructure. He confirmed to Commissioner Brighton that the interest rate would be fixed upon signing of the documents. He said the rate should fall in the 3 percent range. Marci Norby, CS, commented there is a 2013 docket for which the Company has not yet filed closing documents. Ceaglske agreed to find and file the documents appropriately. There were no further questions or comments. Steve Mink, Commission Counsel, recommended approval of the application by *Order* only, effective immediately. Deputy Chairman Russell moved

to act as recommended. Commissioner Brighton seconded the motion and Chairman Minier concurred.

Prepared by: Barbara Tomlinson

Date of Next Open Meeting: Tuesday, February 7, 2017

ACCEPTED and APPROVED by the Commission on April 18, 2017.

Chairman William F. Russell

WYOMING PUBLIC SERVICE COMMISSION

Minutes of Regular Open Meeting

Tuesday, February 7, 2017

1:30 p.m.

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

Commission Staff (CS): Luy Luong and Katie Koski

CONSENT AGENDA

- 1. Docket No. 20000-506-EA-16 (Record No. 14610). Amended Application of Rocky Mountain Power for authority to adjust rates for Electric Service Schedule 92, Bonus Tax Depreciation. Commission to consider:**
 - a. Wyoming Industrial Energy Consumers' *Petition for Leave to Intervene and Request for Hearing (Petition.)*; and**
 - b. Issuance of a *Special Order Authorizing One Commissioner and/or Presiding Officer to Conduct Public Hearing.***

Chairman Minier introduced the consent item. Katie Koski, Commission Counsel, recommended granting the *Petition* and issuing a *Special Order*, by *Order* only, effective immediately. Deputy Chairman Russell moved to act as recommended. Commissioner Brighton seconded the motion and Chairman Minier concurred.

Prepared by: Barbara Tomlinson

Date of Next Open Meeting: Thursday, February 9, 2017

ACCEPTED and APPROVED by the Commission on February 14, 2017.

Chairman Alan B. Minier

WYOMING PUBLIC SERVICE COMMISSION

Minutes of Regular Open Meeting
Tuesday, February 14, 2017
1:30 p.m.

Commissioners: Chairman Alan B. Minier
Deputy Chairman William F. Russell

Commission Staff (CS): Lori Brand

CONSENT AGENDA

- 1. Undocketed: Open meeting minutes for review by the Commission for the regular open meetings of December 6, 2016 and February 7, 2017, as prepared by Barbara Tomlinson.**
- 2. Docket No. 30022-274-GK-16 (Record No. 14463). Contract filing of Black Hills Gas Distribution d/b/a Black Hills Energy of Gas Purchase Contract for the Choice Gas Program year ending May 31, 2017. Commission to consider and act on *Petition for Confidential Treatment of Attachment A (Petition)* filed on January 26, 2017.**
- 3. Docket No: 20000-502-EA-16 (Record No. 14544). Application of Rocky Mountain Power for approval to adjust the Category 2 and 3 Demand-Side Management surcharge rate in Electric Service Schedule 191, Customer Efficiency Service Charge. Commission to consider and act on *Petition for Confidential Treatment and Protective Order (Petition)* filed on December 15, 2016.**

Chairman Minier introduced the consent items. For Item #1, Deputy Chairman Russell moved to approve the minutes as written. Chairman Minier seconded the motion. For Items #2 and #3 Lori Brand, Commission Counsel, recommended granting the *Petitions* and issuing the *Order*, all by *Order* only, effective immediately. Deputy Chairman moved to act as recommended. Chairman Minier seconded the motion.

Prepared by: Sylvia Sanchez

Date of Next Open Meeting: Thursday, February 16, 2017

ACCEPTED and APPROVED by the Commission on February 28, 2017.

Chairman Alan B. Minier

WYOMING PUBLIC SERVICE COMMISSION

Minutes of Regular Open Meeting
Tuesday, February 28, 2017
1:30 p.m.

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

O'Kelley Pearson, Hickey and Evans, LLP, Counsel for City of Torrington
and CenturyLink

Judy Lambert, C. H. Guernsey, Consultant for City of Torrington (by
telephone)

Mayor Mike Varney, City of Torrington (by telephone)

Lynnette Strecker, Clerk/Treasurer, City of Torrington (by telephone)

Travis Jacobson, Regulatory Affairs Manager, Montana-Dakota Utilities
Co. (MDU) (by telephone)

Jerrad Hammer, Directory of Regulatory Services, Black Hills Gas
Distribution, LLC (BHGD) (by telephone)

Joanne Kolb, Chief Financial and Administration Officer, Powder River
Energy Corporation (PRECorp) (by telephone)

Tre Hendricks, Corporate Counsel, CenturyLink (by telephone)

Commission Staff (CS): Morgan Fish, John Burbridge, Lori Brand, Rachel
Meeker, Chris Petrie, Melisa Mizel, Shirley McCown and Tom Wilson

CONSENT AGENDA

1. **Undocketed: Open meeting minutes for review by the Commission for the regular open meeting of February 14, 2017, as prepared by Sylvia Sanchez.**

Chairman Minier introduced the consent item. Deputy Chairman Russell moved to approve the minutes as written. Commissioner Brighton seconded the motion and Chairman Minier concurred.

REGULAR AGENDA

1. **Docket No. 12000-22-CT-17 (Record No. 14636). Application of the City of Torrington for authority to establish a Power Cost Adjustment Tariff applicable to its consumers in the territory of Goshen County. Commission to consider and act on Application.** Morgan Fish, CS, provided a technical *Memo* dated February 23, 2017. O'Kelley Pearson, Counsel for the City of Torrington, stated that during consideration of the last pass on application, the Commission made it clear that establishing a commodity balancing account (CBA) mechanism would be in the best interest of ratepayers. Judy Lambert, Consultant for the City of Torrington, explained the City worked with Commission Staff to develop a CBA tariff. Lambert provided the details of the tariff which is a power cost adjustment with a CBA provision and the related calculations. She noted the tariff has a provision showing how the City will account for over or under recovery and the associated interest calculation. She said the City will continue to expect seasonal variations. Lambert said the City's planned reconciliation period will be 12 months ending

in November of any calendar year. This past year, since there was no factor in place, there was no under or over recovery for the initial filing. She said the factor will be applied to a period beginning April 1 of each year and ending March 31 of the following year. Bryce Freeman, OCA, said OCA reviewed the application and is satisfied it should result in a good balancing account. There were no further questions or comments. Steve Mink, Commission Counsel, recommended approval of the application by *Notice and Order*, effective immediately. Deputy Chairman Russell moved to act as recommended. Commissioner Brighton seconded the motion and Chairman Minier concurred.

2. **Docket No. 30013-323-GP-17 (Record No. 14646). Application of Montana-Dakota Utilities Co. for authority to pass on a wholesale gas cost decrease of \$0.745 per Dth for Residential and Firm General Service customers, and Small and Large Interruptible customers. Commission to consider and act on Application and *Petition for Confidential Treatment of Gas Pricing Information (Petition)*.** Rachel Meeker, CS, provided a technical *Memo* dated February 22, 2017. Travis Jacobson, MDU's Regulatory Affairs Manager, explained this is the monthly application to pass on purchased gas costs, resulting in a decrease. He said the reason for the decrease is due to a decrease in the overall commodity price. Lori Brand, Commission Counsel, noted the Commission has requested the Company provide invoices to support the gas costs. There were no further questions or comments. She recommended approval of the application for use on and after March 1, 2017 and granting the *Petition* by *Notice and Order*, effective immediately. Deputy Chairman Russell moved to act as recommended. Commissioner Brighton seconded the motion and Chairman Minier concurred.
3. **Docket No. 30022-283-GP-17 (Record No. 14640). Application of Black Hills Gas Distribution, LLC d/b/a Black Hills Energy (Casper Division) for authority to pass-on through its Commodity Balancing Account an increase of \$0.0687 per therm to its Pass-On Rate [Regulated Rate] customers. Commission to consider and act on Application and *Petition for Confidential Treatment of Exhibits D and F* filed on January 27, 2017 (*Petition*).** Michelle Bohanan, CS, provided a technical *Memo* dated February 22, 2017. Jerrad Hammer, BHGD's Director of Regulatory Services, explained this is the regular quarterly pass on application for the Casper Division, resulting in an increase and which updates the surcharge component of the commodity balancing account as well as the working gas storage adjustment. There were no questions or comments. Katie Koski, Commission Counsel, recommended approval of the application for use on and after March 1, 2017 and granting the *Petition* for all provided file formats by *Notice and Order*, effective immediately. Deputy Chairman Russell moved to act as recommended. Commissioner Brighton seconded the motion and Chairman Minier concurred.
4. **Docket No. 30022-284-GP-17 (Record No. 14641). Application of Black Hills Gas Distribution, LLC d/b/a Black Hills Energy (Torrington Division) for authority to pass-on through its Commodity Balancing Account an increase of \$0.0737 per therm to its Pass-On Rate [Regulated Rate] customers. Commission to consider and act on Application and *Petition for Confidential Treatment of Exhibits D and F* filed on January 27, 2017 (*Petition*).** Kara Seveland, CS, provided a technical *Memo* dated February 22, 2017. Jerrad Hammer, BHGD's Director of Regulatory Services, explained this is the regular quarterly pass on application for the Torrington Division which updates the commodity balancing account surcharge and includes the recalculated working gas storage adjustment, resulting in a net increase. There were no questions or comments. Katie

Koski, Commission Counsel, recommended approval of the application for use on and after March 1, 2017, and granting the *Petition* for all provided file formats, by *Notice and Order*, effective immediately. Deputy Chairman Russell moved to act as recommended. Commissioner Brighton seconded the motion and Chairman Minier concurred.

5. **Docket No. 30022-285-GP-17 (Record No. 14642). Application of Black Hills Gas Distribution, LLC d/b/a Black Hills Energy (Gillette Division) for authority to pass-on through its Commodity Balancing Account an increase of \$0.1044 per therm to its Pass-On Rate [Regulated Rate] customers. Commission to consider and act on Application and *Petition for Confidential Treatment of Exhibits D and F* filed on January 27, 2017 (*Petition*).** Rachel Meeker, CS, provided a technical *Memo* dated February 22, 2017. Jerrad Hammer, BHGD's Director of Regulatory Services, explained this is the regular quarterly pass on application for the Gillette Division which updates the commodity balancing account and surcharge adjustment, resulting in an increase. There were no questions or comments. Katie Koski, Commission Counsel, recommended approval of the application for use on and after March 1, 2017 and granting the *Petition* for all provided file formats by *Notice and Order*, effective immediately. Deputy Chairman Russell moved to act as recommended. Commissioner Brighton seconded the motion and Chairman Minier concurred.

6. **Docket No. 10014-177-CT-17 (Record No. 14632). Application of Powder River Energy Corporation for authority to adjust its Residential Heat Rate tariff. Commission to consider and act on Application.** Kara Seveland, CS, provided a technical *Memo* dated February 23, 2017. Joanne Kolb, Chief Financial and Administration Officer, explained this application is for authority to adjust the Cooperative's heat rate tariff, which is optional, since Basin Electric, its supplier, changed its base rates in 2017. She said PRECorp needs to adjust the tariff to reflect new avoided costs but noted the impact is minimal. Kolb commented PRECorp filed a supplemental filing to correct an error on the date of the Basin rate changes and a credit was issued to members because a billing error resulted. This credit will appear on the April bills. Deputy Chairman Russell asked Kolb to clarify the status of PRECorp's relationship to Basin with respect to Class A and Class C membership. Kolb explained in January 2017 a new generation and transmission electric cooperative, Members First Power Cooperative, was formed, making it a Class A member of Basin Electric. PRECorp is now a member of Members First, making it essentially a Class C member of Basin Electric. The difference is that operating costs will be split between the new Coop and its members. There were no further questions or comments. Katie Koski, Commission Counsel, recommended approval of the application for use on and after March 1, 2017, and to make a finding that the Company is required to submit an accounting of the amounts credited to members because of the late filing and provide a copy of the letter sent to members explaining the credit within 30 days after the final credit is made to members, by *Notice and Order*, effective immediately. Deputy Chairman Russell moved to act as recommended. Commissioner Brighton seconded the motion and Chairman Minier concurred.

7. **Docket No. 90000-113-XI-10 (Record No. 12650) Investigation by the Commission into the quality and reliability of essential telecommunications service provided by Qwest Corporation d/b/a CenturyLink QC in its certificated territories in Wyoming.**

Docket No. 90000-122-XI-15 (Record No. 14056): Investigation by the Commission into the quality and reliability of essential telecommunications service provided by Qwest Corporation d/b/a CenturyLink QC (CenturyLink) in Zones 2 and 3 of its Wheatland, Wyoming Exchange.

Docket No. 90000-128-XI-16 (Record No. 14475): Investigation by the Commission into the quality and reliability of essential telecommunications service provided by Qwest Corporation d/b/a CenturyLink QC in Zones 2 and 3 of the rural areas of Crook County, Wyoming. Commission to consider:

- a. Reopening the investigation in Docket No. 90000-113-XI-10;**
- b. Consolidating Docket Nos. 90000-113-XI-10, 90000-122-XI-15, and 90000-128 XI-16; and,**

to take such action as the public interest may require.

Chairman Minier introduced the item, explaining it was brought by the Commission's own initiative. He said the Commission will consider Docket No. 90000-113-XI-10 first. Based on the testimony of Dave Johnson, CenturyLink's Area Operations Manager, and contrary to measures that had been taken in this docket, there continue to be persistent problems as in previous proceedings. He noted the Commission had not been informed by the Company about ongoing problems. Also, he said in Docket No. 90000-122-XI-15, the Commission eventually learned that it is not the policy of the Company to provide immediate repair service outside of normal business hours nor does the Company have any concern for fire or for the personal health of consumers. Chairman Minier said it was during Johnson's testimony that the Commission learned the Company's policy requiring 25 customers be without service before repairs were scheduled over a weekend. He said the Company showed a patent disregard for public safety and stated the Commission wants full and fair disclosure of all of the problems. He also noted Johnson failed to assist the Commission in understanding CenturyLink's position during the hearing. Johnson, he said, showed CenturyLink is not going out of its way to address the problems in rural areas or to help the technicians and provided an example. He stated this investigation should be reopened to determine how the Commission can assist customers. There were no further questions or comments. Chairman Minier moved to reopen the docket and the investigation in Docket No. 90000-113-XI-10. Deputy Chairman Russell seconded the motion and Commissioner Brighton concurred. Tre Hendricks, CenturyLink's Corporate Counsel, said the Company had no objection to consolidation of the dockets in this agenda item or to reopening the case.

Chairman Minier brought consideration of Item #7b next, consolidation of the aforementioned dockets. He commented that the point has been reached where recent proposed legislation brings up the threshold of 50,000 lines but noted CenturyLink no longer has 50,000 lines that are price regulated. He said the majority of lines in Zones 2 and 3 in these three dockets represent most of the service quality problems in Wyoming. Commissioner Brighton stated by consolidating the dockets, issues can be compared and contrasted and looked at statewide. Joe Baron and Nell Smith, CenturyLink customers from Crook County, who were on the telephone, both agreed consolidation is a good idea and concurred with the reasoning. He reiterated the Company needs to address reliability and make an effort to understand the problems in rural areas. There were no further questions

or comments. Chairman Minier moved to consolidate the three docket items. Deputy Chairman Russell seconded the motion and Commissioner Brighton concurred.

Commission Election: Chairman Minier stated the final item for consideration at this open meeting is the election of a new chairman of the Commission due to Chairman Minier's pending retirement. He recused himself from the vote and opened the floor to nominations. Commissioner Brighton nominated Deputy Chairman Russell to be Chairman. Deputy Chairman Russell seconded the motion. Deputy Chairman Russell nominated Commissioner Brighton to become Deputy Chair and Commissioner Brighton seconded the motion. Both positions are effective Wednesday, March 1, 2017. The meeting was adjourned.

Prepared by: Barbara Tomlinson

Date of Next Open Meeting: Tuesday, March 7, 2017

ACCEPTED and APPROVED by the Commission on March 30, 2017.

Chairman William F. Russell