

WYOMING PUBLIC SERVICE COMMISSION

Minutes of Regular Open Meeting
Thursday, February 1, 2018
1:30 p.m.

Commissioners: Deputy Chair Kara Brighton Fornstrom
Commissioner Robin Sessions Cooley

Amy Mahon, Finance Manager, Yampa Valley Electric Association (by telephone)
Stacy Splittstoesser, Regulatory Affairs Manager, Rocky Mountain Power Company

Commission Staff (CS): John Burbridge, Jess Bottom, Katie Koski, Kara Seveland and Morgan Fish

REGULAR AGENDA

1. **Docket No. 10001-19-CS-18 (Record No. 14922). Application of Yampa Valley Electric Association, Inc. for authority to borrow \$15,000,000 from the National Rural Cooperative Finance Corporation. Commission to consider and act on Application.** Jess Bottom, CS, provided a technical *Memo* dated January 26, 2018. Amy Mahon, Yampa Valley's Finance Manager, explained Yampa Valley wants to borrow \$15,000,000 and keep the funds in an account to use only if needed. She said the funds could be used for items such as upgrades and repairs for service centers, a construction work plan and a technology work plan. Ms. Mahon said any gaps could be covered by operating margins. There were no questions or comments. John Burbridge, Commission Counsel, recommended approval of the application by *Order* only, effective immediately. Commissioner Cooley moved to act as recommended. Deputy Chair Fornstrom seconded the motion.
2. **Docket No. 90000-130-XO-17 (Record No. 14691). Revision of Chapter 3, Section 33 of the Commission's Rules and Regulations regarding Integrated Resource Plans (IRP). Commission to consider and act on final adoption of proposed IRP rules.** Deputy Chair Fornstrom thanked Wyoming Industrial Energy Consumers (WIEC) for proposing the rules and working with the parties to obtain feedback and comments. She said the policy question to be determined is whether it is time to transform the Commission's traditional IRP acceptance process into a more formal proceeding. The Deputy Chair recognized that all parties agree the current IRP process is already open, extensive and transparent. After considering all input, she concluded that this is not the time to revise the rules or change the process. She said there is nothing that prevents the Commission from investigating an IRP more fully and is in agreement with OCA's conclusion that the proposed rule could result in a lot of process for very little gain. Deputy Chair Fornstrom moved to deny final adoption of the proposed IRP Rules. Commissioner Cooley stated she looked at all the rationales and asserted benefits for approving this proposal. She concluded new Rules are not necessary to allow the Commission to investigate further and could actually be more restrictive. She reasoned the IRP process is already robust and there are many options

available. Commissioner Cooley seconded Deputy Chair Fornstrom's motion to deny final adoption of the proposed IRP Rules.

Prepared by: Barbara Tomlinson

Date of Next Open Meeting: Tuesday, February 6, 2018

ACCEPTED and APPROVED by the Commission on March 8, 2018.

Chairman William F. Russell

WYOMING PUBLIC SERVICE COMMISSION

Minutes of Regular Open Meeting
Tuesday, February 6, 2018
1:30 p.m.

Commissioners: Chairman William F. Russell
Deputy Chair Kara Brighton Fornstrom
Commissioner Robin Sessions Cooley

Bruce Asay, Associated Legal Group, LLC, Counsel for Montana-Dakota
Utilities Co. (MDU)

Tamie Aberle, Director Regulatory Affairs, MDU (by telephone)

Mike Schoepp, Director of Operations Service, MDU (by telephone)

Yvonne Hogle, Assistant General Counsel, Rocky Mountain Power
Company (RMP) (by telephone)

Lisa Tormoen Hickey, Tormoen Hickey, LLC, Counsel for Interwest
Energy Alliance, (by telephone)

J. Kenneth Barbe, Welborn Sullivan Meck & Tooley, Counsel, for
Southland Royalty Company

Connie Brooks, C.E. Brooks and Associates, Counsel for Anadarko Land
Corp. (by telephone)

Callie Capraro, McDonough Law, LLC, Counsel, Northern Laramie Range
Alliance (by telephone)

Nicol Thompson Kramer, Beatty & Wozniak, PC, Counsel for BP America
Production Company

Jane France, Sundahl Powers Kapp & Martin, LLC, Counsel for The
Overland Trail Cattle Company

Abby Briggerman, Holland & Hart, LLP, Counsel for Wyoming Industrial
Energy Consumers

Office of Consumer Advocate (OCA): Chris Leger

Commission Staff (CS): John Burbridge, Jess Bottom, Morgan Fish, Kara
Seveland, Nathan Brennan, Thomas Wilson, Katie Koski, Michelle
Bohanan, Steve Mink, Luy Luong, Perry McCollom, James Branscomb
and Lori Brand

CONSENT AGENDA

1. **Docket No: 20000-528-EC-17 (Record No. 14898). Complaint of Dinosolar, LLC, against Rocky Mountain Power. Commission to consider and act on Dinosolar, LLC's:**
 - a. ***Petition for Confidential Treatment of Exhibits C, D, F, G, I, L, N and O of Dinosolar LLC's Complaint Against Rocky Mountain Power and PacifiCorp for Violations of Schedule 38 (Petition); and***

b. Motion for Admission Pro Hac Vice of Elizabeth M. Brereton (Motion).

2. **Docket No. 30003-74-GK-17 (Record No. 14813). Contract filing of Black Hills Energy, a division of Cheyenne Light, Fuel and Power Company, of its gas purchase contracts for the year ending May 31, 2018. Commission to consider and act on contract filing and *Petition for Confidential Treatment of Attachment B and C (Petition)*. Jess Bottom, CS, provided a technical *Memo* dated January 30, 2018.**
3. **Docket No. 20002-105-EA-17 (Record No. 14860). Application of Black Hills Power d/b/a Black Hills Energy for authority to implement a Service Interruption Reporting Plan. Commission to consider and act on Application.** Morgan Fish, CS, provided a technical *Memo* dated January 30, 2018.
4. **Docket No. 10013-51-CK-17 (Record No. 14843). Contract filing of Bridger Valley Electric Association of a wholesale power contract with Deseret Generation and Transmission and an associated retail service contract with WGR Operating, Inc. Commission to consider acceptance of contracts for filing.** Kara Seveland and Nathan Brennan, CS, provided a technical *Memo* dated January 30, 2018.
5. **Docket No. 62098-1-RA-18 (Record No. 14928). Notification of Garmin USA, Inc., to cancel its Registration Authority to do business in Wyoming. Commission to consider acceptance of the Notification for filing.**
6. **Docket No. 30010-160-GK-16 (Record No. 14593). Contract filing of Questar Gas Company d/b/a Dominion Energy Wyoming of its Transportation Service Agreement in compliance with Commission Rules. Commission to consider acceptance of contract for filing and consider and act on *Petition for Confidential Treatment of Customer Information (Petition)* filed on November 14, 2016.** Michelle Bohanan, CS, provided a technical *Memo* dated January 26, 2018.
7. **Docket No. 30010-161-GK-16 (Record No. 14594). Contract filing of Questar Gas Company d/b/a Dominion Energy Wyoming of its utility service contracts in compliance with Commission Rules. Commission to consider accepting contract for filing and consider and act on *Petition for Confidential Treatment of Confidential Settlement Terms (Petition)* filed on November 14, 2016.** Michelle Bohanan, CS, provided a technical *Memo* dated January 26, 2018.

Chairman Russell introduced the consent items. For Item #1, John Burbridge, Commission Counsel, recommended granting the *Petition* and *Motion*. For Item #s 2, 6 and 7, he recommended accepting the contracts for filing and granting the *Petitions*. For Item #3, he recommended approval of the application. For Item #s 4 and 5, he recommended accepting the contract and notification for filings, respectively. Burbridge, recommended all of the above, by *Order* only, effective immediately. Deputy Chair Fornstrom moved to act as recommended. Commissioner Cooley seconded the motion and Chairman Russell concurred.

REGULAR AGENDA

1. **Docket No. 30013-327-GT-17 (Record No. 14727). Tariff filing of Montana-Dakota Utilities Co. (MDU) for authority to revise its natural gas tariff for excess flow valves to comply with Federal Pipeline Safety Regulations. Commission to consider and act on tariff filing.** Michelle Bohanan, CS, provided a technical *Memo* dated January 30, 2018. Bruce Asay, MDU's Counsel stated MDU's request to amend its tariff with respect to excess flow valves (EFV) is required due to new federal pipeline safety regulations, which became effective in April, 2016. He stated EFV is required for new construction and replacement projects, but the new rule requires gas utilities to make customers aware that an EFV can be requested for existing service. He said MDU has provided notice to its customers that installation will be completed at the customer's expense and that customers will be provided a cost estimate prior to installation. Mr. Asay stated MDU will submit a compliance filing. Deputy Chair Fornstrom commended MDU for filing an application in a timely manner following the effective date of the new rule. Steve Mink, Commission Counsel, recommended approval of the application by *Notice and Order*, effective immediately. Deputy Chair Fornstrom moved to act as recommended. Commissioner Cooley seconded the motion and Chairman Russell concurred.

2. **Docket No. 20000-520-EA-17 (Record No. 14781). Application of Rocky Mountain Power (RMP) for Certificates of Public Convenience and Necessity and nontraditional ratemaking for wind and transmission facilities. Commission to consider and act on RMP's *Unopposed Motion to Vacate Hearing and Amend Procedural Schedule (Motion)*.** Yvonne Hogle, RMP's Corporate Counsel, stated this *Motion* is unopposed and requested it be granted. She said RMP will do everything it can to determine appropriate dates for the hearing. There were no questions or comments. Lori Brand, Commission Counsel, recommended granting the *Motion* by *Order* only, effective immediately. Deputy Chair Fornstrom moved to act as recommended. Commissioner Cooley seconded the motion and Chairman Russell concurred.

Prepared by: Barbara Tomlinson

Date of Next Open Meeting: Thursday, February 8, 2018

ACCEPTED and APPROVED by the Commission on March 8, 2018.

Chairman William F. Russell

WYOMING PUBLIC SERVICE COMMISSION

Minutes of Regular Open Meeting
Tuesday, February 27, 2018
1:30 p.m.

Commissioners: Chairman William F. Russell
Deputy Chair Kara Brighton Fornstrom
Commissioner Robin Sessions Cooley

Travis Jacobson, Regulatory Affairs Manager, Montana-Dakota Utilities Co. (MDU) (by telephone)
James Elliott, Manager of Regulatory, Black Hills Gas Distribution d/b/a Black Hills Energy (BHE) (by telephone)
Todd Brink, Associate General Counsel, BHE
Jana Smoot White, Associate General Counsel, BHE
Jerrad Hammer, Director – Regulatory, BHE (by telephone)
Jason Keil, Manager of Regulatory, BHE
Marne Jones, Vice President of Regulatory, BHE
Shirley Welte, Vice President of Operations, CLFP
Linden Evans, President and Chief Operating Officer, BHE
Brian Iverson, Senior Vice President and General Counsel, BHE
Rick Thompson, Hathaway & Kunz, LLP, Counsel for Dyno Nobel, Inc.
Ronald Lopez, Bailey Stock Harmon Cottam Lopez, LLP, Counsel for HollyFrontier Cheyenne Refining, LLC
Cameron Sabin, Stoel Rives, LLP, Counsel for Microsoft Corporation (by telephone)
O’Kelley Pearson, Hickey & Evans, LLP, Counsel for Microsoft Corporation
Janice Smith, Manager, Y-O Investments, Inc. (by telephone)
Don Hale, Customer, Y-O Ranch Resident (by telephone)

Office of Consumer Advocate (OCA): Christopher Leger

Commission Staff (CS): Katie Koski, Nathan Brennan, Rachel Meeker, John Burbridge, Michelle Bohanan, Jess Bottom, Morgan Fish, James Branscomb

REGULAR AGENDA

- 1. Docket No. 30013-333-GP-17 (Record No. 14938). Application of Montana-Dakota Utilities Co. for authority to pass on a wholesale gas cost increase of \$0.278 per Dth for Firm Residential, Firm General Service, Small Interruptible and Large Interruptible Customers and an increase of \$0.279 per Dth for Optional Seasonal**

Customers. Commission to consider and act on Application and Petition for Confidential Treatment of Gas Pricing Information filed on February 8, 2018 (Petition). Nathan Brennan and Rachel Meeker, CS, provided a technical *Memo* dated February 21, 2018. Travis Jacobson, MDU's Regulatory Affairs Manager, explained this is the monthly application to pass on purchased gas costs due to an increase in the overall commodity price and pipeline charges, resulting in an increase in rates. There were no questions or comments. Katie Koski, Commission Counsel, commented that a second *Petition for Confidential Treatment* mentioned by Jacobson was not listed on this item for consideration, and must be properly noticed and resubmitted for the next Open Meeting. Ms. Koski recommended approval of the application for use on and after March 1, 2018, and granting the *Petition* by *Notice and Order*, effective immediately. Deputy Chair Fornstrom moved to act as recommended. Commissioner Cooley seconded the motion and Chairman Russell concurred.

2. **Docket No. 30022-302-GP-18 (Record No. 14932). 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 \$0.0339 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 (Petition).** Nathan Brennan and Michelle Bohanan, CS, provided a technical *Memo* dated February 21, 2018. James Elliott, BHE's Manager of Regulatory, explained this is the quarterly pass on for the Casper Division. He stated there are three components: the commodity rate, which has decreased; the deferred balancing account, which increased, becoming an under collected balance; and the working gas storage rate, which has decreased. These changes result in an overall cost of gas increase. Ms. Bohanan asked Mr. Elliott to clarify the total volumetric rate, which he did, stating it includes the working gas storage amount, but does not include the transportation rate adjustment or the distribution use per customer adjustment. Ms. Bohanan noted a correction to the Staff *Memo*. John Burbridge, Commission Counsel, recommended approval of the application for use on and after March 1, 2018, and granting the *Petition* by *Notice and Order*, effective immediately. Deputy Chair Fornstrom moved to act as recommended. Commissioner Cooley seconded the motion and Chairman Russell concurred.
3. **Docket No. 30022-303-GP-18 (Record No. 14933). 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 \$0.0528 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 (Petition).** Nathan Brennan and Jess Bottom, CS, provided a technical *Memo* dated February 21, 2018. James Elliott, BHE's Manager of Regulatory, explained this is the quarterly pass on for the Gillette Division, which includes two components: the commodity rate, which results in a small decrease; and the 191 balancing account, which increased, becoming an under collected balance. These changes result in an overall increase in rates. John Burbridge, Commission Counsel, noted corrections to the Staff *Memo*. There were no further questions or comments. Mr. Burbridge, recommended approval of the application for use on and after March 1, 2018, and granting the *Petition* by *Notice and Order*, effective immediately. Deputy Chair Fornstrom moved to act as recommended. Commissioner Cooley seconded the motion and Chairman Russell concurred.

4. **Docket No. 30022-304-GP-18 (Record No. 14934). 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 \$0.0193 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 (Petition).** Morgan Fish and James Branscomb, CS, provided a technical *Memo* dated February 21, 2018. James Elliott, Manager of Regulatory, explained this is the quarterly pass on for the Torrington Division, which includes three components: the commodity rate, which decreased; the 191 balancing account, which increased, becoming an under collected balance; and the working gas storage adjustment, which decreased. These changes result in an overall increase in rates. John Burbridge, Commission Counsel, noted errors in the Staff *Memo* that were corrected. There were no further questions or comments. Mr. Burbridge recommended approval of the application for use on and after March 1, 2018, and granting the *Petition by Notice and Order*, effective immediately. Deputy Chair Fornstrom moved to act as recommended. Commissioner Cooley seconded the motion and Chairman Russell concurred.

5. **Docket No. 20003-156-EP-17 (Record No. 14649). Application of Cheyenne Light, Fuel and Power Company d/b/a Black Hills Energy (BHE) for authority to increase its Power Cost Adjustment by \$0.00468 per kWh for the period April 1, 2017 through March 31, 2018. Commission to consider and act on BHE's Revised Compliance Filing filed on February 12, 2018 and Petition for Confidential Treatment of Customer Usage, Cost, and Revenue Data in PCA Model and Workpapers (Petition) filed on December 8, 2017.** Marci Norby, and Morgan Fish, CS, provided a technical *Memo* dated February 21, 2018. Jason Keil, BHE's Manager of Regulatory, provided an overview of the revised compliance filing, which included proposals for the refunding of interim rates and 2015 governmental imposed costs, and for resetting the PCA rate. Kyle White, BHE's Vice President of Regulatory Affairs, presented two alternate proposals for consideration to effectuate the decision in this case. According to Mr. White, Proposal A, which was presented previously, includes no revenue increase and addresses the 2016 application by reducing it. Proposal B provides a different outcome in that it denies the rate entirely, reinstates the prior rate approved in 2015, which is a credit, and refunds the rate differential. This reduction in revenues will be reflected in the commodity balancing account, but the 2016 costs will also remain in the account. Therefore, Mr. White stated, in 2017, BHE will be dealing with 2016 PCA costs, 2017 PCA costs and the changes in the revenues associated with the PCA over the last twelve months, effectively making a 6.5 million dollar refund, adding to the balancing account. The balance in the account might be as much as 13 or 14 million dollars next year if costs are recoverable, and will be pushed forward into the 2017 application. If the Commission approves Proposal B, he said BHE recommends the refunds be spread over 14 months, which will allow for rate stability. Finally, he concluded that if the Commission approves Proposal A, BHE would withdraw its appeal, but if it approves Proposal B, the Company will not know how costs will be dealt with until the next PCA application is submitted. Therefore, the appeal would stand until there is clarification on how these costs will be addressed.

Rick Thompson, Dyno Nobel's Counsel, stated that the Company's Proposal A has already been rejected and would, in effect, be approving all of the application, contrary to the terms

of the Commission's *Order*. Ronald Lopez, HollyFrontier's Counsel, asked rhetorically, if 2016 costs were denied, how could they be carried forward by the Company? Chris Leger, OCA's Counsel, stated OCA believes Proposal B is closer to what was discussed previously, while Proposal A is more closely aligned with the Commission's deliberations. He said OCA agrees that a 14-month return period would be preferable due to the possibility of rate shock, depending on the next PCA filing. O'Kelley Pearson and Cameron Sabin, Microsoft's Counsel, stated Microsoft's position has not changed and is consistent with the Company's position.

Deputy Chair Fornstrom reminded the Parties of her position against rejecting the original compliance filing stating her main focus now was to prevent future issues related to the 2018 PCA Application. She had no questions about Proposal A, but asked questions regarding the wisdom of re-setting the interim rate to a credit when that credit would have to be collected from customers in the future. Mr. White responded the prior rate would be in effect until it is replaced by an Order of the Commission. A discussion followed regarding resetting the rate, to what number, the effect of that reset on the balancing account, and over what period. The Deputy Chair stated her preference is that the interim rate be re-set at zero and that the refund from the interim rate be returned to customers over a 14-month period, as proposed. Mr. Lopez stated a shorter period of time would be preferable. Mr. Thompson agreed, commenting clients are looking at this from a budgeting standpoint. Mr. Leger stated a major discussion point for OCA is the balancing account for the next PCA filing. Denise Parrish, OCA, added that BHE's tariff calls for the existing rate to stand until another authorized rate is approved by the Commission. She said there will be a debate in the next filing about the issues surrounding this decision. Morgan Fish, CS, confirmed there would still be two more credits from the \$400,000 refund in the next two years.. Katie Koski, Commission Counsel, recommended granting the *Petition* by *Order* only, effective immediately. Deputy Chair Fornstrom moved to act as recommended. Commissioner Cooley seconded the motion and Chairman Russell concurred. Chairman Russell moved to approve the Company's Revised Compliance Filing under Proposal B, with an extended 14-month return period by *Order* only, effective immediately. Commissioner Cooley seconded the motion and Deputy Chair Fornstrom dissented.

6. **Docket No. 80030-1-WA-16 (Record No. 14628). Amended Application of Y-O Investments, Inc., for a Certificate of Public Convenience and Necessity to operate as a public utility rendering domestic water service in Platte County, Wyoming, and for authority to establish interim and permanent water rates, and for authority to establish a special assessment. Commission to consider and act on Y-O Investments, Inc.'s Letter Request for Combined Industrial/Residential Interim Rate (Request).** Luy Luong, CS, provided a technical *Memo* dated February 21, 2018. Janice Smith, Y-O Manager, provided background for the interim rate application. She noted that the Company had used the average of four months of water use readings provided by the operator of the cement plant to determine a fair interim rate for combined use (both residential and industrial), which is a flat rate fee of \$204.57 per month. Don Hale, Customer of Y-O Investment and operator of the cement plant, provided a public comment stating that the plant now has its own water source and will no longer be a customer of the Company. He said he would leave the existing meter in place in case it is needed in the future. Ms. Smith stated she would work with Mr. Hale to ensure the meter is properly detached. Chairman Russell commented that he hoped they would be able to work together,

and if there were any issues that needed to be resolved they could bring them to the Commission. There were no further questions or comments. Lori Brand, Commission Counsel, recommended approval of the combined residential and industrial use interim rates at \$204.57 for use on and after March 1, 2018, by *Notice and Order*, effective immediately. Deputy Chair Fornstrom moved to act as recommended. Commissioner Cooley seconded the motion and Chairman Russell concurred.

Prepared by: Barbara Tomlinson

Date of Next Open Meeting: Thursday, March 1, 2018

ACCEPTED and APPROVED by the Commission on March 27, 2018.

Chairman William F. Russell