

WYOMING PUBLIC SERVICE COMMISSION

Minutes of Regular Open Meeting
Thursday, January 7, 2016
1:30 p.m.

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

Mike Easley, Chief Executive Officer; Powder River Energy Corporation
(PRECorp)

Curtis Mock, Chief Financial and Administrative Officer, PRECorp
David Hedrick, Consultant, C.H. Guernsey and Company

Commission Staff (CS): Melisa Mizel, John Burbridge, Sara Miller, Don
Biedermann, Steve Mink and Kara Seveland

CONSENT AGENDA

1. **Docket No. 70211-6-TA-15 (Record No. 14295). Notification and request of iNetworks Group, Inc. regarding the cancellation of its Certificate of Public Convenience and Necessity (CPCN) to provide competitive local exchange telecommunications services. Commission to consider acceptance of the notice of cancellation of CPCN.**

Chairman Minier introduced the consent item. Sara Miller, Commission Counsel, recommended acceptance of the *Notification* 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. 10014-165-CP-15 (Record No. 14292). Application of Powder River Energy Corporation (PRECorp) for authority to increase its Cost of Power Adjustment by \$10,142,401 per annum to reflect a change in average wholesale power costs. Commission to consider and act on Application.** Don Biedermann, CS, provided a technical *Memo* dated December 31, 2015. Mike Easley, PRECorp's CEO, explained this application requests authority for a routine cost of power adjustment to pass on changes in the wholesale power cost and provided details. David Hedrick, PRECorp's consultant, stated the request is for approval of an increase in the COPA to recover the increased cost of power from PRECorp's wholesale supplier, Basin Electric. The 2016 cost of power adjustment is developed based on the wholesale rate in effect for 2016 and includes a reconciliation of the under-recovery for the period October 2014 through September 2015. Chairman Minier, referencing the staff *Memo*, noted a 5.8% increase in projected load and said based on the last rate case he thought the load was decreasing. He

asked Hedrick to explain what had changed. Hedrick said it was likely a reference to a comparison between the billing units projected in 2016 and projected previous COPA, but he confirmed billing units are decreasing significantly. Biedermann asked if there were more sales than were projected and Hedrick answered no, but indicated the reference point for 5.8% in the staff *Memo* was likely used to develop the COPA for 2015. He said PRE Corp projects sales will continue to decline in 2016. Biedermann then asked about Exhibit T, which provides the financial results showing negative tier and negative return on rate base. Hedrick said 2016 budget period does not indicate a good picture of the financial condition of the cooperative and PRECorp is in the process of developing a rate case filing to address the issue. There were no further questions or comments. Sara Miller, Commission Counsel, recommended approval of the application by *Notice and Order*, for use on and after January 10, 2016, to be effective immediately. Deputy Chairman Russell moved to act as recommended. Commissioner Brighton seconded the motion and Chairman Minier concurred.

2. **Docket No. 10014-166-CT-15 (Record No. 14293). 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 December 11, 2015. Curtis Mock, PRECorp's Chief Financial and Administrative Officer, explained this application requests authority to update the residential heat rate tariff which operates as a credit on usage from October to April and is offered in conjunction with Basin Electric's heat rate tariff. He said Basin increased its 2016 base rates and, therefore, PRECorp must bring its tariff in line with Basin's. Deputy Chairman Russell confirmed the incentive to offer the credit is to encourage electric heating and PRE Corp provided additional information. There were no further questions or comments. Steve Mink, Commission Counsel, recommended approval of the application by *Notice and Order* for use on and after January 10, 2016, to be effective immediately. Deputy Chairman Russell moved to act as recommended. Commissioner Brighton seconded the motion and Chairman Minier concurred.

3. **Docket No. 10014-167-CT-15 (Record No. 14294). Application of Powder River Energy Corporation to revise its small power production tariff. Commission to consider and act on Application.** Don Biedermann, CS, provided a technical *Memo* dated December 30, 2015. Curtis Mock, PRECorp's Chief Financial and Administrative Officer, explained this application requests to revise the special rate for residential customers who install qualifying facilities to generate electricity. Pursuant to the Public Utilities Regulatory Policies Act (PURPA), cooperatives are required to purchase all kWh generated from customers at avoided cost rates. He said PRECorp's avoided costs are established by Basin Electric's published avoided costs for its Western system and Basin has revised these for 2016. He stated PRECorp is requesting authority to increase its rate to reflect Basin's new rate. There were no questions or comments. Steve Mink, Commission Counsel, recommended approval of the application by *Notice and Order* for use on and after January 10, 2016, to be 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, January 14, 2016

ACCEPTED and APPROVED by the Commission on March 1, 2016.

Chairman Alan B. Minier

WYOMING PUBLIC SERVICE COMMISSION

Minutes of Regular Open Meeting
Thursday, January 14, 2016
1:30 p.m.

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

Commission Staff (CS): John Burbridge, Marci Norby, Chris Petrie, Angie Elliott

CONSENT AGENDA

1. **Undocketed. Open meeting minutes for review by the Commission for the regular open meeting of December 17, 2015 as prepared by Angie Elliott.**
2. **Multiple dockets: The Commission's own Motion requiring multiple identified jurisdictional public utilities to Show Cause why their respective authorities to provide utility services in Wyoming should not be canceled due to noncompliance with Wyoming law. Commission to consider and act on:**
 - a. **Revocation of the authorities or certificates held by the following companies for failure to comply with annual reporting requirements under Wyoming law.**

Docket No.	Company Name
70224-3-TI-15 (Record No. 14276)	Pac-West Telecom, Inc.
70243-6-TI-15 (Record No. 14255)	BCN Telecom, Inc.
74376-16-TI-15 (Record No. 14256)	Clear World Communications Corp.
74657-4-TI-15 (Record No. 14260)	Yestel USA, Inc.

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- a.
- b. **Dismissal of show cause actions against the following companies as they have complied with annual reporting requirements under Wyoming law.**

Docket No.	Company Name
70049-16-TI-15 (Record No. 14253)	Inttec, Inc.
70211-5-TI-15 (Record No. 14254)	iNetworks Group, Inc.
74431-20-TI-15 (Record No. 14257)	Legacy Long Distance International, Inc.
74573-2-TI-15 (Record No. 14258)	NECC Telecom, Inc.
74629-5-TI-15 (Record No. 14259)	AccessLine Communications Corporation

74683-3-TI-15 (Record No. 14261)	iNetworks Group, Inc.
74716-2-TI-15 (Record No. 14263)	Leap Frog Telecom, LLC dba Voce Telecom
74718-2-TI-15 (Record No. 14264)	Toly Digital Networks, Inc.

Chairman Minier introduced the consent items. For Item #1, Deputy Chairman Russell moved to approve the minutes as written. Commissioner Brighton seconded the motion and Chairman Minier concurred. For Item #2a, John Burbridge, Commission Counsel, recommended approval of the *Revocation of the authorities or certificates by Order only*, effective immediately. For Item #2b, he recommended approval of *Dismissal of the Show Cause Actions by Letter Order*, effective immediately. Deputy Chairman Russell moved to act as recommended. Commissioner Brighton seconded the motion and Chairman Minier concurred.

REGULAR AGENDA

1. **Docket No. 90000-125-XO-15 (Record No. 14272). Proposed Adoption of Chapters 1 through 5 of the Wyoming Public Service Commission's Rules and Regulations. Commission to consider adoption of, and potentially adopt, proposed rules.** Commissioner Brighton stated following the Comment Hearing on December 14, an internal Commission group met to consider the comments received and she provided a printed summary of recommended revisions to the proposed Rules based on those comments. She went through the summary in detail, which is attached hereto. Commissioner Brighton reported the Commission successfully met the Governor's goal of reducing the Rules by one-third by decreasing active chapters from eight to five; decreasing pages from 139 to 93; and decreasing sections from 170 to 94. Deputy Chairman Russell thanked Commissioner Brighton for her work on the Rules. He put forth several non-substantive recommendations for uniformity. Commissioner Brighton explained the process going forward is that a formal Rules package will be sent to the Attorney General and the Governor. She said the issue of forbearance of certain requirements, such as time limits for utilities to conform with the new rules and the Wobbe index variation standard, will be considered by the Commission upon effectiveness of the Rules which is anticipated within 75 days. Commissioner Brighton moved to adopt the Rules and Regulations with the recommended revisions consistent with the Commission's discussion today. Deputy Chairman Russell seconded the motion and Chairman Minier concurred.

Prepared by: Barbara Tomlinson

Date of Next Open Meeting: Tuesday, January 19, 2016

ACCEPTED and APPROVED by the Commission on March 1, 2016.

Chairman Alan B. Minier