

BEFORE THE PUBLIC SERVICE COMMISSION OF WYOMING

Minutes of Regular Open Meeting

Wednesday, June 25, 2008

10:00 a.m.

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

Roger Fransen, counsel for Qwest Corporation
Jeff Hubbard, Qwest Corporation

Commission Staff: Blair Bales, Meridith Bell, Angie Elliott, Barbara Iversen, Art Schmidt, Tom Wilson

CONSENT AGENDA ITEMS

- 1. Docket No. 90000-104-XI-08 (Record No. 11698) Commission's investigation on its own motion into the quality and reliability of telecommunications service provided by telecommunication companies providing service in the state of Wyoming. Commission to consider issuance of a Special Order Authorizing One Commissioner or Hearing Examiner to Conduct Public Hearings.** Chairman Lewis introduced the consent agenda item and asked if there were any requests to withdraw it for further consideration. There were no such requests nor any comments or questions. Blair Bales, Commission Counsel, recommended issuance of the Special Order. Commissioner Byrnes moved to take action as recommended, and Chairman Lewis seconded the motion.

REGULAR AGENDA ITEMS

- 1. Docket No. 70000-1269-TC-06 (Record No. 10744) Complaint filing of Karen King against Qwest Corporation (Qwest) requesting a formal hearing on the alleged problems with her telecommunications service. Representatives of Qwest to provide status report on the upgrade of equipment in the Trout Creek area.** Jeff Hubbard of Qwest provided an update on the work to be done in the Trout Creek area saying that there are seven pending orders and that the company plans to have new cable in place before the winter season halts construction. He responded to Commission questions regarding the types of upgrades planned and construction details. Mr. Hubbard confirmed that monthly written updates will be provided and that any new customers would be able to take advantage of the upgraded lines. There were no further comments or questions, and no further Commission action was requested or taken at this time.
- 2. Docket No. 70000-1379-TT-08 (Record No. 11771) Tariff filing of Qwest Corporation (Qwest) for authority to revise its federal universal service fund (FUSF) and the Telephone Assistance Program Tribal Lifeline Credits. Commission to consider and act on the tariff filing.** This item was reported by Eric Nordberg of

Wyoming Reporting Service, and a copy of the official transcript may be obtained from that office.

1:00 p.m.

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

Bruce Asay, counsel for Pinedale Natural Gas Company
Brent Bakker, Questar Gas Company
Colleen Bell, Questar Gas Company
Walter Eggers, counsel for MGTC, Inc.
Verlyn Engler, SourceGas Distribution, LLC (by telephone)
Jarrod Hammer, SourceGas Distribution, LLC (by telephone)
Brian Iverson, Cheyenne Light, Fuel and Power
Steve McDougal, Rocky Mountain Power (by telephone)
William Meckling, SourceGas Distribution, LLC (by telephone)
Gilmer Mickey, Pinedale Natural Gas Company (by telephone)
Rob Morris, Cheyenne Light, Fuel and Power
Dave Mosier, Rocky Mountain Power
Kelley Pearson, counsel for SourceGas Distribution, LLC
Randy Reed, counsel for Belle Fourche Pipeline Company
Gary Robinson, Questar Gas Company
Daniel Solander, counsel for Rocky Mountain Power (by telephone)
Maren Schweder, Belle Fourche Pipeline Company
Mark Stege, Cheyenne Light, Fuel and Power
Shannon Swanson, MGTC, Inc. (by telephone)
Brad Van Dyke, SourceGas Distribution, LLC (by telephone)
Alex Wyche, MGTC, Inc. (by telephone)

Office of Consumer Advocate (OCA): David McMullian, Amy Zamora

Commission Staff: Blair Bales, Don Biedermann, Vicky Hansen, Dave Lucero, Luy Luong, Steve Mink, Marci Norby, Chris Petrie, Barbara Taylor-Iversen

CONSENT AGENDA ITEMS

- 1. Docket Nos. 70000-1301-TK-07 and 70116-8-TK-07 (Record No. 11010) Commission to consider and act on Qwest Corporation’s filing of a Qwest Local Service Platform (QLSP) agreement with BullsEye Telecom, Inc.**
- 2. Docket Nos. 70000-1302-TK-07 and 70097-12-TK-07 (Record No. 11011) Commission to consider and act on Qwest Corporation’s filing of a Qwest Local Service Platform (QLSP) agreement with OrbitCom, Inc.**

3. **Docket Nos. 70000-1303-TK-07 and 70201-4-TK-07 (Record No. 11012) Commission to consider and act on Qwest Corporation's filing of a Qwest Local Service Platform (QLSP) agreement with Ernest Communications, Inc.**
4. **Docket Nos. 70000-1322-TK-07 and 70203-10-TK-07 (Record No. 11140) Commission to consider and act on Qwest Corporation's filing of a Qwest Local Service Platform (QLSP) agreement with Metropolitan Telecommunications of Wyoming, Inc.**
5. **Docket Nos. 70000-1327-TK-07 and 70122-3-TK-07 (Record No. 11174) Commission to consider and act on Qwest Corporation's filing of a Qwest Local Service Platform (QLSP) agreement with Impact Telecom, LLC.**
6. **Docket No. 70000-1328-TK-07 (Record No. 11175) Commission to consider and act on Qwest Corporation's filing of a Qwest Local Service Platform (QLSP) agreement with Lightyear Network Solutions, LLC.**
7. **Docket Nos. 70000-1344-TK-07 and 70123-3-TK-07 (Record No. 11289) Commission to consider and act on Qwest Corporation's filing of a Qwest Local Service Platform (QLSP) agreement with American Fiber Network, Inc.**
8. **Docket Nos. 70000-1365-TK-08 and 70033-24-TK-08 (Record No. 11633) Commission to consider and act on Qwest Corporation's filing of a Qwest Local Service Platform (QLSP) agreement with 1-800-RECONEX, Inc. d/b/a USTel.**
9. **Docket Nos. 70000-1368-TK-08 and 70022-29-TK-08 (Record No. 11657) Commission to consider and act on Qwest Corporation's filing of a Qwest Local Service Platform (QLSP) agreement with Ionex Communications North, Inc. d/b/a Birch Telecommunications.**
10. **Docket Nos. 70000-1369-TK-08 and 70204-5-TK-08 (Record No. 11658) Commission to consider and act on Qwest Corporation's filing of a Qwest Local Service Platform (QLSP) agreement with Trans National Communications International, Inc.**
11. **Docket Nos. 70000-1375-TK-08 and 70049-13-TK-08 (Record No. 11741) Commission to consider and act on Qwest Corporation's filing of a Qwest Local Service Platform (QLSP) agreement with inTTec, Inc.**
12. **Docket Nos. 70000-1376-TK-08 and 74271-6-TK-08 (Record No. 11742) Commission to consider and act on Qwest Corporation's filing of a Qwest Local Service Platform (QLSP) agreement with Access Point, Inc.**
13. **Docket Nos. 70000-1377-TK-08 and 70200-11-TK-08 (Record No. 11759) Commission to consider and act on Qwest Corporation's filing of a Qwest Local Service Platform (QLSP) agreement with Matrix Telecom, Inc.**

14. **Docket Nos. 70000-1380-TK-08 and 70096-19-TK-08 (Record No. 11779) Commission to consider and act on Qwest Corporation's filing of a Qwest Local Service Platform (QLSP) agreement with Advanced Communications Technology, Inc.**
15. **Undocketed. Open Meeting Minutes for review by the Commission for the Regular Open Meetings of April 1, 14 and 17, 2008.**

Chairman Lewis introduced the consent agenda and asked if there were any requests to withdraw an item for further consideration. There were no such requests nor any further comments or questions. Dave Lucero, Commission Counsel, recommended the Commission authorize issuance of letters accepting for filing the agreements listed in Items 1-14, effective immediately. Commissioner Byrnes moved to take action as recommended and also moved to accept the minutes listed in Item 15 as submitted. Chairman Lewis seconded both motions.

REGULAR AGENDA ITEMS

1. **Docket No. 20000-322-EA-08 (Record No. 11712) Application of Rocky Mountain Power (RMP) for approval of an accounting order to establish a regulatory asset and a motion for a protective order. Commission to consider and act on application.** Marci Norby, Commission Advisory Staff (CAS), provided a technical memo dated June 10, 2008. Dave Mosier of RMP explained the request is to allow for amortization of expenses incurred in connection with acquiring a gas fueled plant if for any reason the purchase of this asset were not completed. He added that there is no anticipation of this happening, and RMP expects the purchase of the plant to be completed and the asset to become capitalized. Steve McDougal, RMP, said approval of the application would allow the cost to be presented in a future rate case if the purchase were not completed. Amy Zamora, OCA, provided comments and requested an amortization period of three years be included in the accounting order if approved. There were no further comments or questions. Ms. Norby recommended approval of the application by Order only, effective immediately, with the inclusion of a three-year amortization period to begin in January 2009. Commissioner Byrnes moved to take action as recommended, and Chairman Lewis seconded the motion. The request for a protective order was addressed in a prior open meeting.
2. **Docket No. 30003-44-GP-08 (Record No. 11772) Application of MGTC, Inc., for authority to pass on an increase in gas costs of \$4.9750 per MCF for residential and commercial customers and an increase of \$4.8537 per MMBTU for industrial customers. Commission to consider and act on the application** Jess Bottom, CAS, provided a technical memo dated June 18, 2008. Walter Eggers, counsel for MGTC, Inc., said the application represents the regular annual adjustment to reflect changes in the cost of purchased gas for the period of July 1, 2008, through June 30, 2009. Responding to Commission questions, Mr. Eggers and Shannon Swanson of MGTC, Inc., said they would prefer to maintain the annual adjustment period unless otherwise directed, and Mr. Eggers said the negative rate of return reflected in the filing will be addressed separately with Commission staff. 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 July 1, 2008. Commissioner Byrnes moved to accept staff's recommendation, and Chairman Lewis seconded the motion.

3. **Docket No. 30005-117-GP-08 (Record No. 11770) Out-of-period application of Cheyenne Light, Fuel & Power Company (Cheyenne Light) for authority to pass on a wholesale gas cost increase of \$1.2514 per dekatherm for firm rate classes and \$0.9253 for interruptible rate classes beginning July 1, 2008. Commission to consider and act on the company's application, its request for a waiver of its tariff and its Petition for Confidential Treatment.** Barbara Taylor-Iversen, CAS, provided a technical memo dated June 16, 2008. Brian Iverson, attorney with Cheyenne Light, said the application represents the company's regular quarterly adjustment. He said the application does deviate from approved tariffs by requesting a six-month rather than a three-month amortization of the increase in natural gas prices. Mr. Iverson said the deviation would spread the impact of the increase over several months, and he added that Cheyenne Light may apply to change its tariff to allow monthly rather than quarterly adjustments. John Sundahl, counsel for Cheyenne Light, said the petition for confidential treatment of Exhibit 5 would protect information on the company's gas acquisition strategy and sources. There were no further comments or questions. Steve Mink recommended approval of the application and the petition by Notice and Order, effective immediately, and to approve the deviation from the tariff as requested. Commissioner Byrnes moved to take action as recommended, and Chairman Lewis seconded the motion.
4. **Docket No. 30010-93-GP-08 (Record No. 11775) Application of Questar Gas Company (Questar) for authority to pass on a gas cost increase of \$15,030,000 through its purchased gas adjustment. Commission to consider and act on the application.** Don Biedermann, CAS, provided a technical memo dated June 10, 2008. Gary Robinson of Questar said this application is the first of its semi-annual adjustments and represents an increase based on projected gas prices from three nationally-known companies. In response to Commission questions, Barrie McKay of Questar said the company will probably include a proposal for demand-side management in its general rate case later this year. He said the pilot programs conducted in Utah have been favorable, and Questar would propose similar programs for Wyoming. 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 July 1, 2008.
5. **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 costs decrease of \$1.05 per decatherm through its Commodity Balancing Account. Commission to consider approving rates on a final basis.** Marci Norby, CAS, provided a technical memo dated June 23, 2008. Bruce Asay, counsel for Pinedale, said the financial information requested has been submitted to and reviewed by Commission staff; and, in his opinion, the rates should now be approved on a final basis. Commission and OCA staff both said there are still some questions regarding Pinedale's financial status and earnings, but they also agreed that new data submitted for the next pass-on application

may resolve some of the questions. There were no further comments or questions. Ms. Norby recommended final approval of the amended application by Order only, effective immediately, with the Order to include a request that Pinedale file normalized financial statements by August 10, 2008, if possible, for review prior to the next pass-on application. Commissioner Byrnes moved to take action as recommended, and Chairman Lewis seconded the motion.

6. **Docket No. 30016-51-GP-08 (Record No. 11654) Application of Pinedale Natural Gas, Inc., (Pinedale) for authority to pass on a wholesale gas increase of \$5.24 per decatherm through its commodity balancing account. Commission to consider and act on application.** Marci Norby, CAS, provided a technical memo dated June 22, 2008. Bruce Asay, counsel for Pinedale, said part of the application was approved at a prior open meeting, but the portion of the proposed increase relating to the \$0.33 per Dth processing fee remains. Mr. Asay and Gilmer Mickey of Pinedale reviewed the reasons for and the purpose of the fee and requested Commission approval at this time. Ms. Norby and Steve Mink, Commission Counsel, said Pinedale has not submitted sufficient documentation to prove the fee is commodity related or is a just and reasonable fee to pass on to its customers. There were no further comments or questions. Ms. Norby recommended approval of the \$0.33 processing fee be denied at this time and that the company's commodity balancing account surcharge be reduced to offset fees already charged without approval of the Commission. Commissioner Byrnes moved to take action as recommended and that the company be required to file compliant tariff sheets. Chairman Lewis seconded the motion, clarifying the denial is without prejudice and that the company may refile to seek approval of the fee.
7. **Docket No. 30022-106-GT-07 (Record No. 11550) Application of SourceGas Distribution, LLC (SourceGas) for authority to adjust its regular incentives for new service lines and main extensions and to provide customers the option of receiving an extra incentive for new service lines and main extensions. Commission to consider and act on the application.** Bill Meckling and Verlyn Engler of SourceGas reviewed the changes made to the tariffs and customer material as requested by Commission. These included pay-off options, information on the time value of money and a telephone number at SourceGas for consumer inquiries. Brad Van Dyke, SourceGas, reviewed the billing changes and tests to accommodate the different options available. There were no further comments or questions. Don Biedermann, CAS, recommended approval of the application with a request that SourceGas provide Commission staff with a contact number for questions regarding the incentive program. Commissioner Byrnes moved to approve the application with a Letter Order, effective immediately, to include a request that customers be provided further information on applicable taxes and that the Commission be provided a SourceGas contact for questions regarding the program. Chairman Lewis seconded the motion.
8. **Docket No. 50000-57-PT-07 (Record No. 11041) Petition of Belle Fourche Pipeline Company (Belle Fourche) for authority to increase cost of crude pipeline service from points in Campbell, Crook, and Johnson Counties, Wyoming, to points in Goshen, Platte and Johnson Counties, Wyoming, due to emergency. Commission to act on amended application.** Don Biedermann, CAS, provided a technical memo dated

May 29, 2008. Randy Reed, counsel for Belle Fourche, explained that the amended application relates to prior discussions regarding the actual owner of the condensate and the use of a gravity bank. He said the condensate is actually supplied by the shipper, and the amended application would pass that cost on to the shipper as it will gain the benefit of a higher value at the end of the pipeline in Guernsey. Gary Johnson of Belle Fourche said the revised tariff in the application also contains language for operation of the gravity bank, and he provided a sample calculation for review. There were no further comments or questions. Don Biedermann recommended approval of the amended application by Notice and Order, effective immediately, with notice being provided by mail directly to the shippers on the pipeline. Mr. Biedermann also recommended the company file corrected tariffs to reflect the approved changes. Commissioner Byrnes moved to act as recommended, including the compliance filing of tariffs, and Chairman Lewis seconded the motion.

A full audio transcript is available upon request.

Next Open Meeting: Thursday, June 26, 2008, at 9:00 a.m..

Prepared by: Deborah McFerrin

ACCEPTED and APPROVED by the Commission on the 7th day of October 2008.

Kathleen A. "Cindy" Lewis, Chairman

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

Thursday, June 26, 2008
9:00 a.m.

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

Joan Barron, Casper Star-Tribune
Jeff Hubbard, Qwest Corporation
Liz Zerga, counsel for Range Telephone Companies

Commission Staff: Blair Bales, Chris Petrie, Tom Wilson

REGULAR AGENDA ITEMS

- 1. Docket No. 90000-104-TI-08 (Record No. 11698) The Commission's investigation on its own motion into the quality and reliability of telecommunications service provided by telecommunications companies providing service in the state of Wyoming. Commission to consider issuance of an Order requiring telecommunications companies to provide information relevant to the Commission's inquiry.** Chris Petrie, Commission Chief Counsel, provided a marked-up copy of past bench requests indicating possible new data requests. Liz Zerga, counsel for the Range Telephone Companies, expressed some concern that the data requested might not be pertinent for all companies and requested that care be taken not to overburden the companies unnecessarily by too general a request. The Commissioners agreed that some of the data would only be needed from companies where service quality concerns have been raised. After some discussion, it was agreed that, in addition to the draft copy of requests provided at the beginning of the meeting, information would be requested from all companies regarding a pro-rating of bills for outages experienced, phantom 911 calls being made, and the location of any party-line services and obsolete systems. Mr. Petrie further described obsolete as meaning system which are no longer being manufactured or supported by the manufacturers. There were no further comments or questions. Commissioner Byrnes moved to issue a letter order outlining the requests, and Chairman Lewis seconded the motion with a request to include a statement that additional questions may be raised as public comment meetings are held.

A full audio transcript is available upon request.

Next Open Meeting: Thursday, July 3, 2008, at 9:00 a.m..

Prepared by: Deborah McFerrin

ACCEPTED and APPROVED by the Commission on the 7th day of October 2008.

Kathleen A. "Cindy" Lewis, Chairman