

WYOMING PUBLIC SERVICE COMMISSION

Minutes of Regular Open Meeting
Tuesday, June 7, 2016
1:30 p.m.

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

Commission Staff: Tom Wilson, Lori Brand, Sara Miller, Michelle Bohanan, Kara Seveland and Jess Bottom.

CONSENT AGENDA

1. **Docket No. 90000-127-XO-16 (Record No. 14395).** This item was moved to the regular agenda.
2. **Docket No. 30003-66-GA-15 (Record No. 14275).** **Application of Black Hills Energy, a division of Cheyenne Light, Fuel and Power Company, for authority to place into effect a Pipeline Safety and Integrity Mechanism. Commission to consider and act on *Motion for Admission Pro Hac Vice* of Todd L. Brink (*Motion*).**
3. **Docket No. 10014-170-CK-16 (Record No. 14338).** **Contract filing for Powder River Energy Corporation and certain industrial customers. Commission to consider and act on Powder River Energy Corporation's *Petition for Confidential Treatment* (*Petition*).**

Chairman Minier introduced the consent items. For Item #2, Lori Brand, Commission Counsel, recommended granting the *Motion* and for Item #3, granting the *Petition*, all by *Order* only effective immediately. Deputy Chairman Russell moved to act as recommended. Commissioner Brighton seconded the motion and Chairman Minier concurred. Deputy Chairman Russell moved Item #1 from the consent agenda to the regular agenda for purposes of discussion.

REGULAR AGENDA

1. **Docket No. 90000-127-XO-16 (Record No. 14395).** **Tariffs to Reduce Access Rates of Local Telecommunications Companies pursuant to Federal Communications Commission (FCC) Report and Order FCC 11-161. Commission to consider and act on issuance of an Order establishing procedures for filings related to telecommunications companies' compliance with Report and Order 11-161 requirement to file revised access tariffs in 2016.** Deputy Chairman Russell asked about errors in the draft Order. Lori Brand, Commission Counsel, noted the errors, stating they will be corrected before the final version is distributed. There was further discussion about changes in the language, some inconsistencies that needed to be addressed and general detail clean up issues in the draft Order. Also discussed was the ability to provide more time to these companies by issuing the *Order* sooner. Deputy Chairman Russell

moved to approve issuance of an *Order* subject to the modifications discussed in this meeting. Commissioner Brighton seconded the motion and Chairman Minier concurred.

Prepared by: Barbara Tomlinson

Date of Next Open Meeting: Thursday, June 9, 2016

ACCEPTED and APPROVED by the Commission on July 5, 2016.

Chairman Alan B. Minier

WYOMING PUBLIC SERVICE COMMISSION

Minutes of Regular Open Meeting
Thursday, June 9, 2016
1:30 p.m.

Commissioners: Deputy Chairman Russell
Commissioner Kara Brighton

Dale Cottam, Bailey, Stock, Harmon, Cottam P.C., Counsel for Nordic Ranches

Ronnie Lopez, Bailey, Stock, Harmon, Cottam P.C., Counsel for Nordic Ranches

Gannelle Edwards, Owner, Nordic Ranches Water System

Tanya DeJournett, Operator, Nordic Ranches Water System

Commission Staff (CS): John Burbridge, Steve Mink, Kara Seveland, Lori Brand, Dave Walker and Chris Petrie

CONSENT AGENDA

1. **Docket No. 30003-67-GA-16 (Record No. 14320).** Application of Black Hills Energy, a division of Cheyenne Light, Fuel and Power Company, for an accounting order to establish a regulatory asset for transition costs. Commission to consider and act on *Motion for Admission Pro Hac Vice* of Douglas J. Law (*Motion*).
2. **Docket No: 20003-148-EP-16 (Record No. 14324).** Application of Cheyenne Light, Fuel and Power Company d/b/a Black Hills Energy for authority to pass on a power cost adjustment decrease of \$0.00214 per kWh for the period April 1, 2016 through March 31, 2017. Commission to consider and act on *Motion for Admission Pro Hac Vice* of Todd L. Brink.
3. **Docket Nos. 20003-150-ET-16 & 30005-211-GT-16 (Record No. 14356).** Application of Cheyenne Light, Fuel and Power Company d/b/a Black Hills Energy to update its electric and gas tariffs applicable to the Demand Side Management (DSM) margin recovery, the DSM Balancing Account and DSM Program costs. Commission to consider and act on *Motion for Admission Pro Hac Vice* of Douglas J. Law.

Deputy Chairman Russell introduced the consent items. For Item #1, Lori Brand, Commission Counsel, recommended tabling the item pending the filing of a withdrawal of the *Motion*. For Items #2 and #3, she recommended granting the *Motions* by *Order* only, effective immediately. Commissioner Brighton moved to act as recommended and Deputy Chairman Russell seconded the motion.

REGULAR AGENDA

1. **Undocketed:** Commission to receive general business update concerning the operation of the Nordic Ranches water system and take such action as the public interest may require. Dale Cottam, Nordic Ranches' Counsel, handed out materials.

He explained his firm was recently engaged to assist Nordic Ranches Water System (Nordic Ranches) and Nordic Ranches Water LLC (Nordic Ranches LLC) with updating its system operation and with its obligations to the Commission. He provided a history of Nordic Ranches and a synopsis of its personnel. Ronnie Lopez, Nordic Ranches' Counsel, said the water system can provide sufficient water for 299 lots. Nordic Ranches currently serves 235 lots, which is well under capacity. Lopez explained Well No. 4 will serve the subsequent phases of the subdivision. Lopez confirmed that Well No. 3 was capped due to a problem with the water quality. Deputy Chairman Russell asked if the Company planned to obtain a Certificate of Public Convenience and Necessity (CPCN) before expanding further. Cottam responded this would require discussion, but noted before water can be provided to future lots more engineering studies would need to be completed, approval from the Department of Environmental Quality (DEQ) would have to be obtained and the lots will have to be platted. He said his firm will work with Nordic Ranches to provide the Commission the information it needs to consider issuing a CPCN.

Commissioner Brighton asked about the status of the wells at the State Engineer's office. Tanya DeJournett, Nordic Ranches Operator, explained Nordic Ranches will have to resubmit the sanitary survey done last year as well as several other items. She said the EPA letter the Company received this week states Nordic Ranches is in compliance with water quality requirements. DeJournett added that all three wells are properly permitted with the DEQ. Commissioner Brighton noted her concern was a water quantity issue (not water quality) and asked if the wells are permitted with the State Engineer and if they have been adjudicated. Cottam said he will obtain the information to answer the question. DeJournett explained the water testing program and provided details.

Cottam said the new CPA firm has provided financial statements, a balance sheet, statement of income and cash flows which show the Company has been operating at a loss of about \$4,000 to \$6,000 per month. He determined Nordic Ranches is underfunded by approximately 25%, but this does not take into account any maintenance costs. Gannelle Edwards, Nordic Ranches' Owner, he said, bears this loss and, over the history of the Company has loaned it money. He said Edwards' mother has also contributed over \$185,000 to the Company and holds a note payable for that amount. Cottam said this type of funding must change and Nordic Ranches needs Commission assistance and approval to move forward with the changes. Cottam explained rates charged as determined by the Commission in 2011 provide for a base amount of water. He said the system was designed to provide domestic water, but some residents are using the water for irrigation. Edwards commented that Nordic Ranches' ability to charge for over-usage has helped. Commissioner Brighton interjected the Commission has adopted new rules, and Nordic Ranches will need to revise its rules to comply.

Cottam said the Company will file for a rate increase concurrently with a CPCN. He noted that rates are too low and secondly, many residents are not paying their bills, creating collection issues. He said the customer is required to pay the base charge regardless of any private wells on the property. Deputy Chairman Russell noted Edwards' concern that obtaining a CPCN is costly, but said it is needed in order to make the Company viable. Commissioner Brighton said Nordic Ranches should make certain it is receiving a reasonable rate of return and stay current with its regulatory obligations.

Turning to the succession plan, Cottam said this is in the conceptual phase. He confirmed Nordic Ranches LLC is currently active and in good standing with the Wyoming Secretary

of State. Deputy Chairman Russell asked if the Nordic Ranches LLC owns the assets and Cottam responded it only owns the office equipment and a bank account. He said the individuals still own the assets and the water system, thereby making the utility a de facto general partnership. During the discussion, it was discovered that “plant” was missing from the financials which Cottam confirmed will be rectified. Cottam thought the assets should be transferred into Nordic Ranches LLC, but has not been done because Edwards thought it was not allowed. Lopez and Cottam thought the Company should pursue approval from the Commission to transfer the assets. A discussion on ownership ensued. Cottam concluded if Edwards should die today, nothing would change operationally because her sons are the sole beneficiaries of the trust which owns 100% interest in Nordic Ranches LLC. He also said if something should happen to DeJournett, Edwards’ daughter-in-law would continue as an operator.

Suggestions were then made to meet with staff to resolve the outstanding issues. Deputy Chairman Russell said the Company needs to provide background financials in order to determine the worth of the Company, revenue requirements, margin and return on investment, to provide the Commission with a complete picture of the utility. DeJournett said the Company needs to establish guidelines in the tariffs for collections to minimize the strain on the system. It was noted that collections, however, are a civil matter. Chris Petrie, Commission Counsel, recommended Nordic Ranches Water System be directed to provide a proposal for the date of filing for a CPCN, along with several other items to be included, within 90 days from today. He also recommended the Company refrain from expanding the service territory until a CPCN has been obtained. He further recommended the proposed date of filing for a CPCN be within the next 180 days, not to exceed 90 days from the date a proposal has been submitted, by *Order* only, effective immediately. Commissioner Brighton moved to act as recommended and Deputy Chairman Russell seconded the motion.

Prepared by: Barbara Tomlinson

Date of Next Open Meeting: Tuesday, June 14, 2016

ACCEPTED and APPROVED by the Commission on July 14, 2016.

Chairman Alan B. Minier

WYOMING PUBLIC SERVICE COMMISSION

Minutes of Regular Open Meeting
Tuesday, June 14, 2016
1:30 p.m.

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

Paul Jibson, Supervisor Regulatory Affairs, Questar Gas Company (QGC)
(by telephone)
Barrie McKay, General Manager, QGC (by telephone)
Kelly Mendenhall, Director of Regulatory Affairs, QGC (by telephone)
Gary Stidham, Wexpro Company (by telephone)

Commission Staff (CS): John Burbridge, Rachel Meeker, Sara Miller, Kara Seveland, Lori Brand, Marci Norby and Luy Luong

CONSENT AGENDA

1. **Docket No. 62090-1-RA-16 (Record No. 14392). Notification of Hoteligent Telecommunications Inc. for withdrawal of the Company Informational Form required to do business in Wyoming. Commission to consider acceptance of the notification.**
2. **Docket No. 10015-63-CS-16 (Record No. 14391). Application of High West Energy, Inc., for authority to refinance a loan from the Rural Utilities Service in the amount of \$1,833,620. Commission to consider a 30-day continuance under W.S. § 37-6-104.**

Chairman Minier introduced the consent items. For Item #1, John Burbridge, Commission Counsel, recommended acceptance of the notification and for Item #2, granting the continuance, all 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. 30010-123-GA-12 (Record 13347). Application of Questar Gas Company for approval of the Wexpro II Agreement. Commission to consider issuance of a letter concurring in the revised base rate of return calculation.** Marci Norby and Luy Luong, CS, provided a technical *Memo* with attachments dated June 7, 2016. Paul Jibson, QGC's Supervisor Regulatory Affairs, explained the annual base rate of return was calculated at 11.67% pursuant to the Wexpro II agreement and subsequent guideline letters. There were no questions or comments. John Burbridge, Commission Counsel, recommended issuance of a letter concurring in the revised base rate of return calculation, 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, June 30, 2016

ACCEPTED and APPROVED by the Commission on July 14, 2016.

Chairman Alan B. Minier

WYOMING PUBLIC SERVICE COMMISSION

Minutes of Regular Open Meeting
Thursday, June 23, 2016
1:30 p.m.

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

Ryan Jardine, Local Counsel for Mobilitie Management, LLC, Kutak
Rock, LLP (by telephone)
Seth Williams, Counsel for Mobilitie Management, LLC, Marashlian &
Donohue, PLLC (by telephone)

Commission Staff (CS): John Burbridge and Rachel Meeker, Lori Brand,
Chris Petrie, Shirley McCown, Tom Wilson and Melisa Mizel, Steve
Mink and Kara Seveland.

CONSENT AGENDA

1. **Undocketed: Open meeting minutes for review by the Commission for the regular open meetings of April 12 and 21, and May 31, 2016 as prepared by Barbara Tomlinson and Angie Elliott.**
2. **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. Commission to consider issuance of a *Special Order Authorizing One Commissioner and/or Presiding Officer to Conduct Public Hearing*.**
3. **Docket No. 30003-67-GA-16 (Record No. 14320). Application of Black Hills Energy, a Division of Cheyenne Light, Fuel and Power Company, for an accounting order to establish a regulatory asset for transition costs. Commission to consider and act on the Company's *Motion to Withdraw Motion for Admission Pro Hac Vice (Motion)*.**

Chairman Minier introduced Consent Item #1. Deputy Chairman Russell moved to approve the minutes as written. Chairman Minier seconded the motion. Chairman Minier introduced the remaining consent items. For Item #2, John Burbridge, Commission Counsel, recommended issuance of a *Special Order* and for Item #3, granting the *Motion*, all by *Order* only, effective immediately. Deputy Chairman Russell moved to act as recommended and Chairman Minier seconded the motion.

REGULAR AGENDA

1. **Docket No: 70247-1-TA-16 (Record No. 14367). Application of Mobilitie Management, LLC for a certificate of public convenience and necessity to provide local exchange telecommunication service in Wyoming. Commission to consider and act on application and *Petition for Confidential Treatment of Mobilitie Management*,**

LLC (Petition). Rachel Meeker, CS, provided a technical *Memo* dated June 13, 2016. Ryan Jardine, Mobilitie Management's Local Counsel, explained Mobilitie's request for authority to provide local exchange service in Wyoming. Deputy Chairman Russell asked about Mobilitie's plan for Wyoming going forward since it has been registered in the past but has not yet done any business. Seth Williams, Counsel, said he would look at the Company's future plans and respond to the Commission. He noted the Company uses advanced wireless/wireline technology in challenging areas to provide service. He said the Company focuses on areas that are considered densely packed such as large hotels, convention facilities, and stadiums. Jardine explained the Company does not provide wide access to end users, but works directly with client businesses. He concluded becoming a Competitive Local Exchange Provider (CLEC) may also be useful to Mobilitie. Deputy Chairman Russell expressed interest in hearing the Company's future plans. There were no further questions or comments. John Burbridge, Commission Counsel, recommended approval of the application and granting the *Petition* by *Order* only, effective immediately. Deputy Chairman Russell moved to act as recommended and Chairman Minier seconded the motion.

Prepared by: Barbara Tomlinson

Date of Next Open Meeting: Tuesday, June 28, 2016

ACCEPTED and APPROVED by the Commission on July 21, 2016.

Chairman Alan B. Minier

WYOMING PUBLIC SERVICE COMMISSION

Minutes of Regular Open Meeting
Tuesday, June 28, 2016
1:30 p.m.

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

Doug Law, Counsel, Black Hills Energy f/k/a SourceGas Distribution, LLC
(by telephone)

Stacy Splittstoesser, Wyoming Regulatory Affairs Manager, Rocky
Mountain Power (RMP)

Daniel Solander, Senior Attorney, RMP (by telephone)

Kyle Moore, Pricing Specialist, RMP (by telephone)

James Mowry, Crowley Fleck, PLLP, Counsel for Red Butte Pipe Line,
Marathon Oil Company and Merit Energy Operations I, LLC

James Solomonson, Director and Operations Manager, Red Butte Pipeline
(by telephone)

Kimberly Hill, Business Development Manager, Marathon Oil Company
(by telephone)

Brian Bowen, Senior Attorney, Marathon Oil Company (by telephone)

Byron Romain, Senior Attorney, Marathon Oil Company (by telephone)

April Hellman, Tariff Coordinator, Marathon Pipeline (by telephone)

Stacy Hedrick, Advanced Accountant, Marathon Pipeline (by telephone)

Ben Moffett, Assistant General Counsel, Merit Energy Operations I (by
telephone)

Dan Zillner, Manager of Divestitures, Merit Energy Operation I (by
telephone)

Hank Bailey, Counsel, High West Energy

Lindsay Forepaugh, CFO, High West Energy (by telephone)

Brian Heithoff, CEO/GM, High West Energy (by telephone)

Commission Staff (CS): Marci Norby, John Burbridge, Sara Miller and
Kara Seveland

CONSENT AGENDA

1. **Docket No. 30022-260-GA-15 (14302).** Chairman Minier introduced the consent item. Deputy Chairman Russell requested moving Item #1 to the regular agenda for discussion purposes.

REGULAR AGENDA

1. **Docket No. 30022-260-GA-15 (14302).** **Application of SourceGas Distribution LLC for creation of a regulatory asset comprised of the net buyout costs associated with terminating the P-0802 contract and related gas gathering agreement, effective no later than April 15, 2016. Commission to consider and act on *Petition for Confidential Treatment of Compliance Exhibits 1 through 4 and Compliance Exhibit 6 to Updated Compliance Filing Filed on June 14, 2016 (Petition)*.** Deputy Chairman

Russell expressed concern about a request that confidential information within this docket be returned to the Company and noted the Commission does not usually do this. John Burbridge, Commission Counsel, explained to the Company that he is prepared to recommend denying that provision requesting return of the confidential documents. Doug Law, Counsel for Black Hills Energy's f/k/a SourceGas Distribution, LLC, agreed with Burbridge and requested that portion of the request be stricken. There were no further questions or comments. Burbridge recommended granting the *Petition*, but denying the request contained in the *Petition* for return of confidential documents by *Order* only, effective immediately. Deputy Chairman Russell moved to act as recommended and Chairman Minier seconded the motion.

2. **Docket No. 20000-493-EK-16 (Record No. 14368). Contract filing of Rocky Mountain Power (RMP) of a purchase power agreement with Sweetwater Solar, LLC (Sweetwater) and *Petition for Confidential Treatment (Petition)*. Commission to consider acceptance of the contract for filing and to consider and act on *Petition*.** Marci Norby, CS, provided a technical *Memo* dated June 14, 2016. Stacy Splittstoesser, RMP's Wyoming Regulatory Affairs Manager, provided an overview of the purchase power agreement (PPA) with Sweetwater County and said it is in compliance with Commission Rules. She explained Sweetwater is an LLC and is considered a qualifying facility under PURPA. Daniel Solander, Senior Counsel for RMP, noted this is the first solar PPA in Wyoming. There were no further questions or comments. John Burbridge, Commission Counsel, recommended acceptance of the contract for filing and granting the *Petition* by *Order* only, effective immediately. Deputy Chairman Russell moved to act as recommended and Chairman Minier seconded the motion.
3. **Docket No. 50045-24-PA-16 (Record No. 14373). Joint Application of Red Butte Pipe Line, Marathon Oil Company and Merit Energy Operations I, LLC (Joint Applicants) for approval of a reorganization of Red Butte Pipe Line Company. Commission to consider and act on Joint Application and *Petition for Confidential Treatment of Exhibits C, D, E and F to Application (Petition)*.** Marci Norby, CS, provided a technical *Memo* dated June 23, 2016. James Mowry, Joint Applicants' local counsel, explained the application involves the equity purchase of all of Marathon's interests in Red Butte Pipeline by Merit. He said Red Butte Pipeline is a public utility and subject to Commission jurisdiction. Mowry said the purchase agreement involves Merit acquiring all outstanding stock in Red Butte Pipeline from Marathon. He noted the closing is Thursday, subject to Commission approval, but said day to day operations of the pipeline will not change. Red Butte Pipeline intends to keep its contract with Marathon. He confirmed this is part of larger transaction wherein Merit has acquired all of Marathon's oil and gas operations in Wyoming. Sara Miller, Commission Counsel, asked if the Company is able to file all tariffs within ten days of closing. Mowry responded some of the tariffs need to be updated and this should not be a problem. There were no further questions or comments. Miller recommended approval of the joint application with all tariffs to be filed within ten days of closing and granting the *Petition* by *Order* only, effective immediately. Deputy Chairman Russell moved to act as recommended and Chairman Minier seconded the motion.
4. **Docket No. 10015-63-CS-16 (Record No. 14391). Application of High West Energy, Inc., for authority to refinance a loan from the Rural Utilities Service in the amount of \$1,833,620. Commission to consider and act on Application.** Kara Seveland, CS, provided a technical *Memo* dated June 23, 2016. Hank Bailey, High West Energy's

counsel, provided an overview of the loan refinancing. Lindsey Forepaugh, High West Energy's CFO, added this will save money and reduce High West's interest rate considerably. She estimated over the life of the note, a cash flow savings of over \$300,000. She said this replaces the note issued in 1995. Addressing an upcoming *Petition for Confidential Treatment*, Deputy Chairman Russell confirmed the Cooperative is in agreement to remove the provision that requests the Commission return documents to them. Accordingly, the *Petition* can be placed on the consent agenda in a future Open Meeting. Sara Miller, Commission Counsel, recommended approval of the application by *Order* only, effective immediately. Deputy Chairman Russell moved to act as recommended and Chairman Minier seconded the motion.

Prepared by: Barbara Tomlinson

Date of Next Open Meeting: Thursday, June 30, 2016

ACCEPTED and APPROVED by the Commission on August 30, 2016.

Chairman Alan B. Minier

WYOMING PUBLIC SERVICE COMMISSION

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

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

Bryan Lee, President, Frannie Deaver Utilities (Frannie Deaver) (by telephone)

Alan Stoinski, Manager of Energy Efficiency, Black Hills Energy (BHE)

Fred Stoffel, Director of Regulatory Affairs, BHE

Douglas J. Law, Company Counsel, BHE (by telephone)

Deb Bisgaard, Senior Regulatory Analyst (by telephone)

Commission Staff (CS): Lori Brand, Marci Norby, Dave Walker, Thomas Wilson, Michelle Bohanan and Kara Seveland

CONSENT AGENDA

1. **Docket No: 20003-148-EP-16 (Record No. 14324).** Application of Cheyenne Light, Fuel and Power Company d/b/a Black Hills Energy for authority to pass on a power cost adjustment decrease of \$0.00214 per kWh for the period April 1, 2016 through March 31, 2017. Commission to consider and act on the February 16, 2016 *Petition for Confidential Treatment of Power Cost Adjustment for April 2016 through March 2017* and the May 6, 2016 *Petition for Confidential Treatment and Protective Order Concerning any Confidential and Proprietary Documents. (Petitions)*.
2. **Docket No. 70005-39-TT-16 (Record No. 14396).** Tariff filing of Chugwater Telephone Company to reduce Access Tariffs in compliance with FCC 11-161. Commission to consider and act on Application. Thomas Wilson, CS, provided a technical *Memo* dated June 24, 2016.
3. **Docket No. 70215-7-TT-16 (Record No. 14397).** Tariff filing of Big River Telephone Company, LLC to reduce Access Tariffs in compliance with FCC 11-161. Commission to consider and act on Application. Thomas Wilson, CS, provided a technical *Memo* dated June 24, 2016.
4. **Docket No. 70003-174-TT-16 (Record No. 14399).** Tariff filing of CenturyTel of Wyoming d/b/a CenturyLink to reduce Access Tariffs in compliance with FCC 11-161. Commission to consider and act on Application. Thomas Wilson, CS, provided a technical *Memo* dated June 24, 2016.
5. **Docket No. 70009-467-TT-16 (Record No. 14400).** Tariff filing of CenturyLink of the West f/k/a United Telephone Company of the West to reduce Access Tariffs in compliance with FCC 11-161. Commission to consider and act on Application. Thomas Wilson, CS, provided a technical *Memo* dated June 24, 2016.

6. **Docket No. 70000-1627-TT-16 (Record No. 14402). Tariff filing of CenturyLink QC f/k/a Qwest to reduce Access Tariffs in compliance with FCC 11-161. Commission to consider and act on Application.** Thomas Wilson, CS, provided a technical *Memo* dated June 24, 2016.
7. **Docket No. 70108-22-TT-16 (Record No. 14405). Tariff filing of Granite Telecommunications, LLC to reduce Access Tariffs in compliance with FCC 11-161. Commission to consider and act on Application.** Thomas Wilson, CS, provided a technical *Memo* dated June 24, 2016.
8. **Docket No. 70093-15-TT-16 (Record No. 14411). Tariff filing of West Telecom Services, LLC to reduce Access Tariffs in compliance with FCC 11-161. Commission to consider and act on Application.** Thomas Wilson, CS, provided a technical *Memo* dated June 24, 2016.
9. **Docket No. 70013-36-TT-16 (Record No. 14412). Tariff filing of All West Communications, Inc. to reduce Access Tariffs in compliance with FCC 11-161. Commission to consider and act on Application.** Thomas Wilson, CS, provided a technical *Memo* dated June 24, 2016.
10. **Docket No. 70001-92-TT-16 (Record No. 14413). Tariff filing of Range Telephone Cooperative, Inc., to reduce Access Tariffs in compliance with FCC 11-161. Commission to consider and act on Application.** Thomas Wilson, CS, provided a technical *Memo* dated June 24, 2016.
11. **Docket No. 70015-94-TT-16 (Record No. 14414). Tariff filing of RT Communications, Inc., to reduce Access Tariffs in compliance with FCC 11-161. Commission to consider and act on Application.** Thomas Wilson, CS, provided a technical *Memo* dated June 24, 2016.
12. **Docket No. 70006-104-TT-16 (Record No. 14417). Tariff filing of Silver Star Communications to reduce Access Tariffs in compliance with FCC 11-161. Commission to consider and act on Application.** Thomas Wilson, CS, provided a technical *Memo* dated June 24, 2016.
13. **Docket No. 70016-44-TT-16 (Record No. 14418). Tariff filing of Columbine Telephone Company f/k/a Teton Telecom, to reduce Access Tariffs in compliance with FCC 11-161. Commission to consider and act on Application.** Thomas Wilson, CS, provided a technical *Memo* dated June 24, 2016.
14. **Docket No. 70008-66-TT-16 (Record No. 14419). Tariff filing of Union Telephone Company, Inc., to reduce Access Tariffs in compliance with FCC 11-161. Commission to consider and act on Application.** Thomas Wilson, CS, provided a technical *Memo* dated June 24, 2016.
15. **Docket No. 70203-24-TT-16 (Record No. 14376). Tariff filing of Metropolitan Telecommunications of Wyoming d/b/a MetTel, to reduce Access Tariffs in compliance with FCC 11-161. Commission to consider and act on Application.** Thomas Wilson, CS, provided a technical *Memo* dated June 24, 2016.

Chairman Minier introduced the consent items. For Item #1, Lori Brand, Commission Counsel, recommended granting the *Petition* and issue the *Protective Order*, by *Order* only, effective immediately. Deputy Chairman Russell moved to act as recommended and Chairman Minier seconded the motion. For Items #2 through #15, Brand recommended approval of the applications by *Order* only, effective immediately. Deputy Chairman Russell moved to act as recommended and Chairman Minier seconded the motion.

REGULAR AGENDA

1. **Docket No. 30007-121-GP-16 (Record No. 14393). Amended Application of Frannie Deaver Utilities to adjust its commodity balancing account tariff to pass on a delivered cost increase of \$0.3416 per Mcf. Commission to consider and act on Amended Application.** Michelle Bohanan, CS, provided a technical *Memo* dated June 21, 2016. Bryan Lee, Frannie Deaver's President, explained this is the regular quarterly application to adjust its commodity balancing account, resulting in an increase to Frannie Deaver's delivered gas cost. In addition, Lee noted an error on the gas cost introductory letter and explained the error will be corrected for the next submittal. He also noted Frannie Deaver's line loss is higher than the Company would like and explained the Company engaged WBI in Billings, Montana, to help detect line loss with more sophisticated equipment. He also noted there is one industrial customer with a rotary meter which produces some inaccuracies and stated the solution to correct the inaccuracies is to move the customer's meter upstream. Lee acknowledged the August projected sales number is incorrect, but noted the error was not worth correcting with this application. Bohanan asked how often the BTU value is measured and Lee said it was measured yearly on a per meter basis. Bohanan asked how when the Company will file its gas supply contracts and Lee responded within the next couple of weeks. There were no further questions or comments. Steve Mink, Commission Counsel, recommended approval of the application for use on and after July 1, 2016 by *Order* only, effective immediately. Deputy Chairman Russell moved to act as recommended and Chairman Minier seconded the motion.

2. **Docket Nos. 20003-150-ET-16 and 30005-211-GT-16 (Record No. 14356). Application of Black Hills Energy for approval to update its Electric and Gas tariffs applicable to the Demand Side Management (DSM) margin recovery, the Balancing Account and Program costs. Commission to consider and act on Application.** Kara Seveland, CS, provided a technical *Memo* dated June 30, 2016. Fred Stoffel, BHE's Director of Regulatory Affairs, explained this application requests a change to the Company's DSM recovery mechanism for gas and electric to reflect its budget for the coming year's program, the true up and the marginal recovery of last year's program. He said the effect is a small reduction for residential rates and a small increase for non-residential rates. Deputy Chairman Russell about the negative cost effectiveness of the gas program. Alan Stoinski, BHE's Manager of Energy Efficiency, explained the gas programs have always struggled because of the cheap cost of gas. He said the Company wanted to keep the programs available by minimizing administrative costs and focusing on marketing. In response to the Chairman, Stoinski responded that the program has been successful in the past and after 2016, there will be a formal revaluation. A discussion related to the viability of the residential lighting program followed. Stoinski

stated the focus on the lighting program is on LED lighting and more options are being offered, including specialized bulbs. He concluded that because of the emphasis on LED lighting, compact fluorescent bulbs will likely be phased out by the Spring of 2017. Chairman Minier said with the eroding value of this program, there is no reason to wait for the phase out. There were no further questions or comments. Lori Brand, Commission Counsel, commented there is an upcoming meeting with the Company on DSM planning. Brand recommended approval of the application by *Order* only, effective immediately. Deputy Chairman Russell moved to act as recommended and Chairman Minier seconded the motion.

Prepared by: Barbara Tomlinson

Date of Next Open Meeting: Tuesday, July 5, 2016

ACCEPTED and APPROVED by the Commission on August 30, 2016.

Chairman Alan B. Minier