

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

**Tuesday, March 11, 2008**  
**1:30 p.m.**

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**Commissioners:** Chairman Kathleen A. "Cindy" Lewis, presiding  
Deputy Chairman Steve Oxley  
Commissioner Mary Byrnes

Terry Akeda, Rocky Mountain Power (by telephone)  
Bruce Asay, counsel for RT Communications, Inc.  
Bud Becker, SourceGas Distribution, LLC (by telephone)  
Heather Dankert, McLeodUSA (by telephone)  
Greg Duvall, Rocky Mountain Power (by telephone)  
Walter Eggers, counsel for Bresnan Broadband of Wyoming LLC  
Michael Fox, RT Communications, Inc.  
Joe Furay, SourceGas Distribution, LLC (by telephone)  
Harold Giberson, Utility Workers Union of America, Local 127,  
AFL-CIO (by telephone)  
William Haas, counsel for McLeodUSA (by telephone)  
Kent Harris, SourceGas Distribution (by telephone)  
Paul Hickey, counsel for SourceGas Distribution, LLC  
Tina Christine Johnson, McLeodUSA (by telephone)  
Jerry Lambert, Bresnan Broadband of Wyoming, LLC (by telephone)  
Will Mills, SourceGas Distribution, LLC (by telephone)  
Dave Mosier, Rocky Mountain Power  
Dan Solander, Rocky Mountain Power (by telephone)  
Mark Tallman, Rocky Mountain Power (by telephone)  
Helen Wells, SourceGas Distribution, LLC (by telephone)  
Doug Whitefoot, SourceGas Distribution, LLC (by telephone)  
Liz Zerga, counsel for McLeodUSA

Office of Consumer Advocate (OCA): Bryce Freeman, Denise Parrish,  
Tom Wilson

Commission Staff: Blair Bales, Don Biedermann, Vicky Hansen, Luy  
Luong, Dave Lucero, Shirley McCown, Steve Mink, Art Schmidt, Barbara  
Taylor-Iversen

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**CONSENT AGENDA ITEMS**

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- 1. Docket No. 20000-315-EP-08 (Record No. 11618) Application of Rocky Mountain Power for a PCAM deferred net power cost adjustment for the time period December 1, 2006 through November 30, 2007, in the amount of \$31.0 million. Commission to consider and act on the petition of Kinder Morgan Interstate Gas**

**Transmission, LLC, and Canyon Creek Compression Company for permission to intervene.**

- 2. Docket No. 70043-18-TA-07 (Record No. 11581) Application of Level 3 Communications, LLC, for a certificate of public convenience and necessity to provide local exchange services. Commission to consider and act on the Petition to Intervene filed by All West Communications, Inc., CenturyTel of Wyoming, Dubois Telephone Exchange, Inc., Project Telephone Company, Range Telephone Cooperative, Inc., RT Communications, Inc., Silver Star Communications and Union Telephone Company.**
- 3. Docket No. 20002-69-EA-07 (Record No. 11549) Application of Black Hills Power, Inc., for a certificate of public convenience and necessity for WyGen III, a 100-MW coal-fired electric generation facility to be located in Gillette, Wyoming. Commission to consider issuing a Special Order Authorizing a Hearing Examiner.**
- 4. Undocketed. Open Meeting Minutes for review by the Commission for the Regular Open Meetings of December 19 and December 21, 2007.**

Chairman Lewis introduced the consent agenda and asked if there were any requests to withdraw an item for further consideration. Commissioner Byrnes asked that Item 2 be removed. There were no further comments nor any comments or questions. Steve Mink, Commission Counsel, recommended approval of Items 1 and 3 by Order only, effective immediately. Deputy Chairman Oxley moved to approve Item 1 by Order only, effective immediately, and to approve issuance of a Special Order for Item 3, and to accept the Open Meeting Minutes in Item 4 as submitted. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.

Bruce Asay, counsel for the petitioners listed in Item 2, and Mr. Mink both said they have been contacted by Alex Davison, attorney for Level 3 Communications, requesting additional time to address this item. Chris Petrie, Commission Chief Counsel, said Commission staff was unaware of any opposition to the Petition to Intervene at the time this agenda was prepared. Mr. Mink recommended tabling this item until all parties are ready to proceed. Deputy Chairman Oxley moved to table Item 2. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.

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### **REGULAR AGENDA ITEMS**

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- 1. Docket Nos. 70114-19-TA-08 and 70015-60-TA-08 (Record No. 11591) Application of Bresnan Broadband of Wyoming, LLC, (Bresnan) for a Certificate of Public Convenience and Necessity to provide local exchange telecommunications services in the areas presently served by RT Communications, Inc., (RT) and for recognition of status as a competitive carrier providing competitive services pursuant to W.S. § 37-15-202(c). Commission to consider and act on Petition to Intervene filed by RT Communications, Inc. Bruce Asay, counsel for RT Communications, and Michael Fox, RT Communications, said the company is not necessarily contesting the application but**

rather has concerns about how Bresnan's plans would impact RT and its customers. Walter Eggers, counsel for Bresnan, said Bresnan objects to the petition on the basis that statutory requirements for a certificate for public convenience and necessity in W.S. § 37-15-201 are that the applicant have sufficient technical, managerial and financial ability to provide the proposed services. He said nothing requires the Commission to consider the impact on incumbent service providers, and, although RT is an interested party, their concerns should not be addressed as part of this docket. After further discussion, Vicky Hansen, Commission Counsel, recommended granting RT's petition with the caution to all parties that they restrict themselves to the criteria of the statute. Deputy Chairman Oxley, however, moved to deny the petition in this case with direction to the parties to talk with one another on the technical, financial and managerial resources as they might or might not impact them and report back to the Commission by March 25, 2008. He added that, if RT remains unsatisfied, it could then plead its concerns in a more specific manner. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.

2. **Docket No. 20000-309-EA-07 (Record No. 11569) Application of Rocky Mountain Power (RMP) for a Certificate of Public Convenience and Necessity to construct the 99-MW Rolling Hills Wind Project in Converse County, Wyoming. Commission to consider and act on the application and RMP's request for confidential treatment of its cost information.** Art Schmidt, Commission Advisory Staff (CAS), provided a technical memo dated March 3, 2008. Harold Giberson, Utility Workers Union of America, Local 127, AFL-CIO, asked to participate in this matter as the union has an interest in the building and maintenance of the project. Dave Mosier of RMP then provided an overview of the project and said there is some urgency in completing construction in 2008 in order to obtain federal production tax credits. Mr. Schmidt said the application meets the rule requirements. There were no further comments or questions. Steve Mink, Commission Counsel, recommended approval of the application and of the request for confidential treatment by Order only, effective immediately. Commissioner Byrnes moved to accept staff's recommendation. Deputy Chairman Oxley seconded the motion, and Chairman Lewis concurred.
3. **Docket No. 90000-99-XO-07 (Record No. 11311) Proposed adoption of Section 318 of the Commission's Procedural Rules and Special Regulations regarding the non-applicability of several Commission rules to rural electric cooperatives that become exempt from retail rate regulation under W. S. § 37-17-103. Commission to consider closing this docket.** Blair Bales, Commission Counsel, said minor changes were made to the proposed rules as a result of public comments, and the final rules have been signed by the Governor, have been adopted and were published by the Secretary of State. Ms. Bales said there is no further reason for the docket to remain open although the files will be permanently retained. There were no further comments or questions. Deputy Chairman Oxley moved to close the docket by Order only, signed by the attorney, and expressed his thanks to staff for their work. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.
4. **Docket No. 30022-107-GI-08 (Record No. 11610) The investigation, upon the Commission's own motion, of the billing practices and procedures of SourceGas**

**Distribution, LLC, (SourceGas) and the impact on its customers. Commission to consider modification of request for production of audio recordings of telephone conversations between SourceGas customers and Accenture customer service representatives.** Chris Petrie, Commission Chief Counsel, said SourceGas is seeking to narrow down the number of audio recordings requested to a more manageable level. Helen Wells, SourceGas, explained methods used to record and categorize calls to the customer care center. After a discussion of methods for identifying and storing the calls for submission, Deputy Chairman Oxley moved to amend the Commission's letter Order to direct SourceGas to narrow the scope to Wyoming-only calls, that they be indexed with file names which include the various types of contacts and area codes and, if possible, telephone numbers, and that they place the calls on portable thumb/flash drives for submittal to the Commission by March 19, 2008. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.

5. **Undocketed. Representatives of SourceGas Distribution, LLC, (SourceGas) to appear and explain recent calls from SourceGas customers to the Commission's Complaints Staff concerning the discontinuation of natural gas service to customers in the Shoshoni area.** Chris Petrie, Commission Chief Counsel, said the Consumer Complaints Section staff has received calls from customers who describe being contacted by SourceGas and told they would no longer receive natural gas service. Mr. Petrie said no application for abandonment of service has been received by the Commission; and, although he has had conversations with the company's counsel, Roger Fransen, further information is being requested from SourceGas. Joe Furay, attorney for SourceGas, said notice was received from Encana that it wished to exercise the six-month notice clause in the contract with SourceGas to terminate service on this pipeline due to questionable quality of the gas. Mr. Furay said there are eight customers on 11 premises who will be affected, and meetings are being held with these customers to advise them of the process and negotiate compensation for their agreement to convert to propane. Responding to Commission questions, Mr. Furay provided further information on the pipeline, and said construction of a new pipeline was not being considered due to cost. He also explained how estimates for conversion to propane were calculated and what steps have been taken to contact and work with the customers. There were no further comments or questions. Mr. Furay agreed to provide further information at the open meeting on March 21 which would include: (1) a list of the customers; (2) copy of the letter and agreement provided to the customers; (3) a breakdown of estimates for conversion costs; and (4) detail on meetings held or to be held with the customers.
6. **Undocketed. McLeodUSA to make available the appropriate personnel to discuss and explain its early termination fee policies and procedures, including, but not limited to, the application of those policies and procedures in the Connected Consulting/Purcell informal complaint matter, and "inside sales" practices and procedures relevant to Wyoming.** Steve Mink, Commission Counsel, provided a technical memo dated March 7, 2008. Liz Zerga, counsel for McLeodUSA, explained the process, saying that when Connected Consulting contacted McLeodUSA to obtain a verbal quote for local exchange services, the fee allegedly quoted did not include local zone increment charges. When Connected Consulting became aware of the zone charges

and asked to cancel the contract, the amount of the termination penalty was provided. Since that time, the matter has been resolved, and the termination penalty has been waived. Ms. Zerga said McLeodUSA does not actively market in Wyoming and receives a very small number of calls from business customers seeking to change providers. As a result, customer service personnel do not have a marketing script for Wyoming and have previously only quoted the base price. For future calls, prospective customers from Wyoming will be notified that, while McLeodUSA is unable to tell in which zone the customer is located until service is initiated, the base price may include an additive of a zone charge up to the maximum zone charge. William Haas of McLeodUSA said customers will then have 90 days from commencement of service in which to contact the company and be allowed to exit the contract without a termination penalty. Ms. Zerga said the policy has already been put into effect and a written policy will be available by the end of the week which will be provided to the Commission. No further action was needed or taken.

7. **Undocketed. Company Identification No. 74085, USP Communications, Inc. (USP). USP has been directed to appear to explain why the company is operating in Wyoming without registration authority, in violation of W.S. § 37-15-301; and why it is delinquent in its payments to the Wyoming Universal Service Fund (WUSF) in violation of W.S. § 37-15-501. USP is also expected to address why it failed to notify its customers of the pending disconnect experienced on January 31, 2007, prior to being disconnected, which is in violation of Rule 503(c)(iii)(H), and the service problems its customers had in Wyoming during February, July, September 2007 and January 2008, resulting in nearly fifty (50) contacts with Commission Complaint Staff.** Chris Petrie, Commission Chief Counsel, confirmed customer personal information is being treated as confidential even though no formal request has been made to do so. Blair Bales, Commission Counsel, said the Commission became aware the company was operating in Wyoming through receipt of complaint calls in February 2007. USP's authority to operate in Wyoming was cancelled in 2001 for failure to file annual reports. At some time after that USP contacted Commission staff to find out what was necessary to re-establish its authority. The company subsequently provided a new application and annual reports, but these were incomplete, and USP was notified of this fact by letter. A letter was then received by WUSF staff with new contact information, resulting in another letter to USP explaining the steps needed to obtain registration authority with a response requested by February 25, 2008. After receiving no response, a letter was sent by U.S. Mail and by email on March 3, 2008, to the purported new owners of the company requesting an explanation of why USP continues to operate in Wyoming without authority to do so. In addition to failure to file reports and operating without authority, recent customer bills indicate USP is collecting USF fees and other taxes from its customers. Mr. Petrie provided the Commission with options for further action, including issuance of an Order directing USP to show cause why it should not be held in violation of Wyoming statutes; or the Commission could authorize staff to contact the Attorney General or District Attorney to learn the next steps in pursuing criminal prosecution of USP as a result of failure to pay WUSF fees collected from its customers. There were no further comments or questions. Deputy Chairman Oxley moved to issue an Order to Show Cause to USP to appear before the Commission on March 28, 2008, and

show cause why it should not be held in violation of W.S. § 37-15-501 regarding universal service, why it is not in apparent violation of W.S. § 37-15-301, why they are not in actual violation of Commission Rule 503(c)(iii)(H), and also to show cause why it should not be referred to the proper authority for prosecution for fraud. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.

A full audio transcript is available upon request.

Next Open Meeting: Friday, March 14, 2008, at 3:30 p.m.

Prepared by: Deborah McFerrin

ACCEPTED and APPROVED by the Commission on the 5<sup>th</sup> day of June 2008.

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Kathleen A. "Cindy" Lewis, Chairman

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

**Friday, March 14, 2008**  
**3:30 p.m.**

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**Commissioners:** Chairman Kathleen A. "Cindy" Lewis, presiding  
Deputy Chairman Steve Oxley  
Commissioner Mary Byrnes

Bud Becker, SourceGas Distribution, LLC  
Kirsten Benefiel, Accenture  
Verlyn Engler, SourceGas Distribution, LLC (by telephone)  
Joe Furay, SourceGas Distribution, LLC (by telephone)  
Paul Hickey, counsel for SourceGas Distribution, LLC  
Elizabeth Pendley, counsel for Seminole Energy  
Jared Miller, Casper Star-Tribune  
Len Mize, SourceGas Distribution, LLC  
Brad Van Dyke, SourceGas Distribution, LLC  
Helen Wells, SourceGas Distribution, LLC

Office of Consumer Advocate (OCA): Bryce Freeman

Commission Staff: Marchia Johansen, Steve Mink, Chris Petrie, David Piroutek, Darrell Zlomke

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**CONSENT AGENDA ITEMS**

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- 1. Docket No. 20000-315-EP-08 (Record No. 11618) Application of Rocky Mountain Power to change deferred net power costs through the power cost adjustment mechanism by approximately \$31.0 million. Commission to consider and act on Rocky Mountain Power's petition for confidential treatment and protective order.**
- 2. Undocketed. Open Meeting minutes for review by the Commission for the Regular Open Meetings of January 3, January 8 and January 11, 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. Chris Petrie, Commission Chief Counsel, recommended approval of Item 1 by Order only, effective immediately. Deputy Chairman Oxley moved to take action as recommended and to approve the Open Meeting minutes in Item 2 as submitted. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.

## REGULAR AGENDA ITEMS

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- 1. Docket No. 30022-107-GI-8 (Record No. 11610) The investigation, upon the Commission's own motion, of the billing practices and procedures of SourceGas Distribution, LLC, (SourceGas) and the impact on its customers. SourceGas personnel will provide an update to the Commission.** Marchia Johansen, Commission Complaints Staff, advised the Commission that a new problem with billing has been found in which a line item for a new distribution charge for pass-on rate customers was not included in recent bills. She said the bills should have reflected both the old and new distribution charges, but only one item appears. Helen Wells, SourceGas, confirmed the error appeared on bills for approximately 13,000 customers. Ms. Wells said printing has stopped until a correction is made to include the two distribution charges, but that the total amount due shown on the bills is correct. Bud Becker of SourceGas agreed to provide a list of the affected customers, their addresses and customer numbers which the Commission agreed to treat as confidential. Ms. Wells then provided a new chart and a verbal update on customer complaints which are being tracked as a result of prior complaint calls, and she added that they are currently on track to have these problems resolved by the target date of March 31, 2008. Mr. Becker said a performance audit of the amounts billed is being planned with requests for proposal to be issued to Denver-area accounting firms. He said this would verify rate calculations on the bills, and he agreed to provide a summary of the selection process and a copy of the request for proposal to the Commission. The Commission also requested an update on the status of refunds resulting from disposition of the storage gas from Lakota and Dakota fields, and Mr. Becker said this should be included in the April 2008 bills. Bryce Freeman, OCA, voiced his support for the Commission's investigation and stated his concern for the potential impact of the billing problems on the upcoming Choice Gas Program selection period. Chairman Lewis then reviewed the items requested to be provided by the next open meeting including an update of the efforts to resolve the billing issues. No further action was requested or taken.
  
- 2. Docket No. 30022-111-GA-08 (Record No. 11662) Representatives of SourceGas Distribution, LLC, to provide an update regarding the possible discontinuation of natural gas service to eight customers in the Pavillion/Shoshoni area.** Joe Furay and Verlyn Engler of Source Gas reviewed the information provided to the Commission in response to previous open meeting discussions, including a spreadsheet detailing how the company arrived a \$3,000 allowance estimate for conversion from natural gas to propane. The company also provided a copy of the letter and the voluntary termination agreement provided to the customers, and a listing of the customers affected. After further discussion, SourceGas was asked to report back to the Commission at the next open meeting and provide the following items: (1) copies of actual letters provided to the customers rather than a template; (2) a new draft letter to customers which explains how the \$3,000 allowance may offer other options based on actual expenses; (3) an addition to the spreadsheet of a column showing the propane tank fees and the actual tariff rate of these customers; (4) information explaining whether a larger tank could be offered and, if so, the cost; (5) information explaining whether electrical power could be provided in lieu of natural gas; (6) a map showing the distance from the Pavillion system to the

closest customer premise with sufficient detail to demonstrate why a line extension is not a feasible option; (7) detail of the \$215,000 engineering estimate for a line extension; and (8) information on distribution charges. Paul Hickey, attorney for SourceGas, said the requested information would be submitted on paper and by electronic file. No further action was requested or taken.

A full audio transcript is available upon request.

Next Open Meeting: Friday, March 21, 2008, at 1:30 p.m.

Prepared by: Deborah McFerrin

ACCEPTED and APPROVED by the Commission on the 5<sup>th</sup> day of June 2008.

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Kathleen A. "Cindy" Lewis, Chairman

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

**Friday, March 21, 2008**  
**1:30 p.m.**

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**Commissioners:** Chairman Kathleen A. "Cindy" Lewis, presiding  
Deputy Chairman Steve Oxley

Victor Albrandt, customer of SourceGas Distribution, LLC  
Bud Becker, Counsel for SourceGas Distribution, LLC  
Verlyn Engler, SourceGas Distribution, LLC  
Joe Furay, SourceGas Distribution, LLC  
Jerrad Hammer, SourceGas Distribution, LLC  
Bryan Lee, Frannie-Deaver Utilities  
Bill Meckling, SourceGas Distribution, LLC  
Len Mize, SourceGas Distribution, LLC  
Michael Noone, Counsel for SourceGas Distribution, LLC  
Kelley Pearson, Counsel for SourceGas Distribution, LLC  
Brad Van Dyke, SourceGas Distribution, LLC  
Helen Wells, SourceGas Distribution, LLC

Office of Consumer Advocate (OCA): Bryce Freeman

Commission Staff: Don Biedermann, Marchia Johansen, Luy Luong,  
Shirley McCown, Steve Mink

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**REGULAR AGENDA ITEMS**

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1. **Docket No. 30007-85-GP-08 (Record No. 11653) Application of Frannie-Deaver Utilities to adjust its commodity balancing account to pass on to consumers decreases in the delivered cost of natural gas in the amount of \$0.4534 per MCF.** Jess Bottom, Commission Advisory Staff (CAS), provided a technical memo dated March 18, 2008. Bryan Lee, Frannie-Deaver Utilities, said the requested decrease is composed of the projected gas cost, commodity balancing account amortization and an incentive adjustment for total projected purchased gas costs. There were no further questions or comments. Luy Luong, CAS, on behalf of Mr. Bottom, recommended approval of the application by Notice and Order, effective immediately, for usage on and after April 1, 2008. Deputy Chairman Oxley moved to accept staff's recommendation, and Chairman Lewis seconded the motion.
  
2. **Docket No. 30022-106-GT-07 (Record 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 act on the request for authority.** Don Biedermann, CAS, provided a technical memo dated

March 11, 2008. Bud Becker, SourceGas, said the new tariff relates to concerns about providing service to the Wind River Reservation, but all Wyoming customers would be eligible. This tariff would provide an extension allowance above the “normal” incentive allowance and would give customers a period of ten years to repay the amount. The Commissioners questioned SourceGas staff regarding repayment options and accounting procedures. Concern was also expressed about adding new features to the billing system until the existing problems have been resolved. As a result, Chairman Lewis moved to table the application for later action. Deputy Chairman Oxley seconded the motion.

3. **Docket No. 30022-111-GA-08 (Record No. 11662) Representatives of SourceGas Distribution, LLC, to provide update regarding the possible discontinuation of natural gas service to eight customers in the Pavillion/Shoshoni area.** Bud Becker, SourceGas, provided further background information on the request to abandon service and explained the information provided as a result of the previous open meeting. The Commission expressed a desire to involve Encana, owner of the pipeline, in discussions regarding continuation of service to these customers. Mr. Becker and Commission counsel were requested to contact Encana and provide an update at the next open meeting scheduled for March 26, 2008. No further action was taken at this time.
  
4. **Docket No. 30022-107-GI-08 (Record No. 11610) The investigation, upon the Commission's own motion, of the billing practices and procedures of SourceGas Distribution, LLC, and the impact on its customers. SourceGas personnel will provide an update to the Commission.** SourceGas representatives provided an update on its efforts to correct billing errors, response to requests for further information and the status of obtaining an auditing firm. Helen Wells said that, as requested by the Commission, they are tracking costs involved in resolving the billing problems. No further action was taken at this time, and SourceGas was requested to provide an update at the next open meeting on March 26, 2008.

A full audio transcript is available upon request.

Next Open Meeting: Wednesday, March 26, 2008, at 1:30 p.m.

Prepared by: Deborah McFerrin

ACCEPTED and APPROVED by the Commission on the 5<sup>th</sup> day of June 2008.

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Kathleen A. “Cindy” Lewis, Chairman

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

**Wednesday, March 26, 2008**  
**1:30 p.m.**

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**Commissioners:** Deputy Chairman Steve Oxley, presiding  
Commissioner Mary Byrnes

Gary Albrandt, customer of SourceGas Distribution, LLC (by telephone)  
Jake Albrandt, customer of SourceGas Distribution, LLC (by telephone)  
Bud Becker, Counsel for SourceGas Distribution, LLC  
Verlyn Engler, SourceGas Distribution, LLC  
Joe Furay, Counsel for SourceGas Distribution, LLC  
Paul Hickey, Counsel for SourceGas Distribution, LLC  
Russ Kimmitt, EnCana Oil & Gas (by telephone)  
Scott Regan, Counsel for EnCana Oil & Gas (by telephone)  
Erin Shuttlesworth, customer of SourceGas Distribution, LLC (by telephone)  
Larry Shuttlesworth, customer of SourceGas Distribution, LLC (by telephone)

Office of Consumer Advocate (OCA): Denise Parrish

Commission Staff: Vicky Hansen, Marchia Johansen, Shirley McCown,  
Chris Petrie, David Piroutek, Darrell Zlomke

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**REGULAR AGENDA ITEMS**

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1. **Docket No. 30022-111-GA-08 (Record No. 11662) Representatives of SourceGas Distribution, LLC, (SourceGas) and EnCana Oil & Gas (USA) Inc., (EnCana) to present information regarding the possible discontinuation of natural gas service to eight retail customers in the Pavillion/Shoshoni area, including the status of the related gas commodity sales agreement between those companies and the quality of the gas supplied pursuant to that agreement.** Paul Hickey, counsel for SourceGas, said the company has made contact with EnCana personnel who are participating in this meeting by telephone, and he said the application for abandonment of service has been filed with the Commission. Mr. Hickey said copies of all material submitted will be provided to the affected customers. Discussion followed on the reasons EnCana has requested termination of its contract with SourceGas, alternatives which may be pursued and reactions of the customers to the abandonment request. Scott Regan, counsel for EnCana said his company would be willing to extend the provision of service for six months upon acceptance of contract language modifications provided to SourceGas. This would allow additional time for a solution to be found. However, SourceGas does not wish to continue under the terms offered by EnCana. Deputy Chairman Oxley requested all parties continue their attempts to reach a temporary, if not final, resolution of the

problem and report back to the Commission on Friday, March 28, 2008. No further action was taken at this time.

A full audio transcript is available upon request.

Next Open Meeting: Friday, March 28, 2008, at 9:30 a.m.

Prepared by: Deborah McFerrin

ACCEPTED and APPROVED by the Commission on the 13<sup>th</sup> day of June 2008.

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Kathleen A. "Cindy" Lewis, Chairman

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

**Friday, March 28, 2008**  
**9:30 a.m.**

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**Commissioners:** Deputy Chairman Steve Oxley, presiding  
Commissioner Mary Byrnes

Greg Duvall, Rocky Mountain Power (by telephone)  
Roger Fransen, attorney for Rocky Mountain Power  
Bill Griffith, Rocky Mountain Power (by telephone)  
Jeff Hubbard, Qwest Corporation  
Gilmer Mickey, Pinedale Natural Gas, Inc.  
Dave Mosier, Rocky Mountain Power  
Bob Pomeroy, counsel for Wyoming Industrial Energy Consumers  
(WIEC) (by telephone)  
Steve Shute, Pinedale Natural Gas, Inc.  
Dan Solander, Rocky Mountain Power (by telephone)  
Liz Zerga, counsel for RT Communications

Office of Consumer Advocate (OCA): Denise Parrish, Ivan Williams,  
Tom Wilson, Amy Zamora

Commission Staff: Blair Bales, Vicky Hansen, Luy Luong, Marci Norby,  
Chris Petrie

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**CONSENT AGENDA ITEMS**

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- 1. Docket No. 70000-1364-TK-08 (Record No. 11632) Contract filing of Qwest Corporation for authority to enter into Type 2 wireless interconnection agreement with New Cingular Wireless Services PCS, LLC.**
- 2. Docket No. 20000-305-EC-07 (Record No. 11519). The complaint filing by Bridger Butte Wind Power, LLC., against Rocky Mountain Power, a division of PacifiCorp, requesting formal hearing regarding avoided cost pricing for wind facilities. Commission to consider and act on the stipulation filed by Rocky Mountain and Bridger Butte Wind Power, LLC. The stipulation would allow Rocky Mountain to have an additional 30 days to and including April 16, 2008, to respond formally to Bridger Butte's complaint.**
- 3. Docket No. 20004-72-EA-08 (Record No. 11661) Application of Montana Dakota Utilities Company for a certificate of public convenience and necessity for participation in WyGen III, a coal-fired electric generation plant. Commission to consider and act on Montana Dakota's Petition for Confidential Treatment.**

4. **Docket No. 20000-264-EA-06 (Record No. 10960) Amended application of Rocky Mountain Power for authority to establish demand-side management programs in Wyoming, establish DSM tariffs and increase rates to fund DSM. Commission to consider and act on Rocky Mountain Power's Joint Motion for Approval of Procedural Schedule.**
5. **Docket No. 70000-1358-TK-07 (Record No. 11430) Contract filing of Qwest Corporation for authority to enter into a commercial internetwork calling name services agreement with Bresnan Broadband of Wyoming, LLC. Commission to consider and act on final approval of interconnection agreement.**
6. **Undocketed. Open Meeting Minutes for review by the Commission for the Regular Open Meetings of January 22, January 24, February 1, February 12 and February 14, 2008.**

Deputy Chairman Oxley introduced the consent agenda and asked if there were any requests to remove an item for further consideration. There were no such requests nor any further comments or questions. Steve Mink, Commission Counsel, recommended Items 1, 2, 3 and 5 be approved by Order only, effective immediately, and that Item 4 be approved by Letter Order, effective immediately, to be signed by the Commission attorney. Commissioner Byrnes moved to accept the staff recommendations and to approve the open meeting minutes in Item 6 as submitted. Deputy Chairman Oxley seconded the motion.

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#### **REGULAR AGENDA ITEMS**

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1. **Docket No. 20000-315-EP-08 (Record No. 11618) Application of Rocky Mountain Power (RMP) for a PCAM deferred net power cost adjustment for the time period December 1, 2006, through November 30, 2007, in the amount of \$31.0 million. Commission to consider and act on the Rocky Mountain Power's Motion to Modify Suspension Order and to Implement PCAM Rates on an Interim Basis Effective April 1, 2008.** Luy Luong and Don Biedermann, Commission Advisory Staff (CAS), provided a technical memo dated March 25, 2008. Roger Fransen, counsel for RMP, said the company is requesting interim approval of the PCAM rates effective April 1, 2008. Dave Mosier, RMP, explained the reasons for the request and said the increase would be refunded if, during future proceedings, it is deemed inappropriate. Intervenors WIEC and the OCA said they did not oppose an interim approval of the rates. There were no further comments or questions. Steve Mink, Commission Counsel, recommended the interim approval be granted by Notice and Order, effective immediately, for usage on and after April 1, 2008. Mr. Luong requested the Order reflect a requirement that revised tariffs be filed prior to implementation of the rates. Commissioner Byrnes moved to take action as recommended, and Deputy Chairman Oxley seconded the motion.
2. **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 March 26, 2008. Gilmer Mickey, Pinedale, said the application is to pass through the cost of gas for the next 12 months and keep the commodity balancing account at a break even point. Both Ms. Norby and Denise Parrish of the OCA voiced concerns about the company's financial statements and a gas processing fee which Pinedale wishes to pass on to its customers. Ms. Norby also said the adjustment periods set out in Pinedale's tariff do not coincide with what is being requested in the application. There were no further comments or questions. Ms. Norby recommended interim approval of the application for usage on and after April 1, 2008, with the request that Pinedale provide a copy of the commodity contract showing the questionable gas processing fee and that Pinedale's tariff be modified to reflect billing periods for the effective dates of pass-on applications. Commissioner Byrnes moved to approve the application on an interim basis by Notice and Order, effective immediately, for usage on and after April 1, 2008, with Pinedale to provide by April 11, 2008, [i] a copy of its commodity contract showing the processing fee and [ii] tariffs showing the appropriate billing cycle dates. Commissioner Byrnes amended the motion to clarify that the processing fee will not be charged until further evaluation. Deputy Chairman Oxley seconded the motion.

3. **Undocketed. Commission to consider initiation of rulemaking proceedings to revise Section 500 of its Rules as proposed by Qwest Corporation in Docket No. 90000-96-XI-07 to allow carriers to devote federal universal service fund receipts to specific infrastructure replacements or improvements.** Chris Petrie, Commission Chief Counsel, said the proposed rule changes would allow different treatment of the federal Universal Service Fund (FUSF), giving Qwest the ability to dedicate FUSF to specific projects and improvements. He said the proposed changes are superimposed on the currently active rules and not on the rules already published for comment. Liz Zerga, counsel for RT Communications and Dubois Telephone Exchange, and Denise Parrish of the OCA both expressed disapproval of opening this rulemaking process as they feel the changes proposed are not needed. Jeff Hubbard of Qwest said the proposed changes would address some of the issues brought up in the ongoing quality of service investigation but would remain separate from that investigation. Commissioner Byrnes asked if these proposed rule changes would have any affect on the upgrade to the Trout Creek area. Mr. Hubbard said if the Commission does enter into a rulemaking proceeding, regardless of the outcome and as previously stated by Mike Ceballos, Qwest will go ahead and upgrade Trout Creek on their own not using these funds. There were no further comments or questions. Mr. Petrie recommended the Commission initiate the rulemaking with the proposed changes overlaid upon the currently-proposed rules which include changes to conform it to the 2007 Telecom Act. Commissioner Byrnes moved to open the rulemaking as recommended. Deputy Chairman Oxley seconded the motion.

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**1:30 p.m.**

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**Commissioners:** Deputy Chairman Steve Oxley, presiding  
Commissioner Mary Byrnes

Gary Albrandt, customer of SourceGas Distribution, LLC (by telephone)

Marcia Bean, customer of SourceGas Distribution, LLC (by telephone)  
Bud Becker, SourceGas Distribution, LLC  
Senator Cale Case, Wyoming Legislature  
Stacy Dykeman, Cheyenne Light Fuel and Power (by telephone)  
Verlyn Engler, SourceGas Distribution, LLC  
Joseph Furay, SourceGas Distribution, LLC  
Kenna Hagen, Cheyenne Light, Fuel and Power (by telephone)  
Paul Hickey, counsel for SourceGas Distribution, LLC  
Brian Iverson, Cheyenne Light, Fuel and Power (by telephone)  
Russ Kimmitt, Encana (by telephone)  
Norm Long, SourceGas Distribution, LLC  
Rob Morris, Cheyenne Light, Fuel and Power  
Rita Mulkern, Montana-Dakota Utilities Company (by telephone)  
Jack Palma, attorney for Encana Oil & Gas (USA), Inc.  
Kelley Pearson, attorney for SourceGas Distribution, LLC  
Elisabeth Pendley, attorney for Seminole Energy Services  
Joe Quiroz, customer of SourceGas Distribution, LLC (by telephone)  
Larry Shuttlesworth, customer of SourceGas (by telephone)  
Mark Stege, Cheyenne Light, Fuel and Power  
John Sundahl, attorney for Cheyenne Light, Fuel and Power  
Brad Van Dyke, SourceGas Distribution, LLC

Office of Consumer Advocate (OCA): Denise Parrish

Commission Staff: Vicky Hansen, Luy Luong, Steve Mink, Marci Norby,  
David Walker

- 1. Docket No. 30013-200-GP-08 (Record No. 11655) Application of Montana-Dakota Utilities Co. (MDU) for authority to pass on a wholesale gas cost increase of \$0.838 per decatherm for Residential General Service, and Small and Large Interruptible customers and a wholesale gas cost decrease of \$0.047 for Optional Seasonal customers. Commission to consider and act on Application and Petition for Confidential Treatment of Exhibit 3A.** Jess Bottom, CAS, provided a technical memo dated March 20, 2008. Rita Mulkern of MDU said the requested increase is for all but seasonal customers, which would see a decrease as seasonal rate customers pay more during the period of October-March. MDU also requested confidential treatment of Exhibit 3A to the application, which contained commercially sensitive gas purchase information. 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 April 1, 2008, and further recommended the request for confidential treatment be granted under Section 120 of the Commission's Rules. Commissioner Byrnes moved to take action as recommended, and Deputy Chairman Oxley seconded the motion.
- 2. Docket No. 30005-116-GP-08 (Record No. 11646) Application of Cheyenne Light, Fuel and Power (Cheyenne Light) for authority to pass on a wholesale gas cost increase of \$1.8316 per decatherm for firm rate classes and \$1.9733 for interruptible**

rate classes beginning April 1, 2008. Commission to consider the application and the company's Petition for Confidential Treatment. Barbara Iversen, CAS, provided a technical memo dated March 10, 2008. John Sundahl, counsel for Cheyenne Light, requested that the Commission grant confidential treatment of exhibit schedules containing gas acquisition strategy and information. Steve Mink, Commission Counsel, recommended approval of the petition. Commissioner Byrnes moved to grant the petition for confidential treatment, and Deputy Chairman Oxley seconded the motion. Brian Iversen, Cheyenne Light, said this is the second in regular quarterly adjustments under the company's new tariff. There were no further comments or questions. Steve Mink, Commission Counsel, recommended approval of the pass-on by Notice and Order, effective immediately, for usage on and after April 1, 2008. Commissioner Byrnes moved to take action as recommended, and Deputy Chairman Oxley seconded the motion.

3. **Docket No. 74085-4-TI-08 (Record No. 11666) A hearing, on the Commission's initiative, at which USP Communications, Inc., shall show cause why it is not in violation of Wyoming law and why action should not be taken to ensure compliance therewith. Commission to consider referring USP to the Attorney General's Office or other appropriate law enforcement authorities for prosecution or other appropriate legal action.** This item was reported by Wyoming Reporting Service. A copy of the official transcript may be obtained from that office.
4. **Docket No. 30022-107-GI-08 (Record No. 11610) Investigation, upon the Commission's own motion, of the billing practices and procedures of SourceGas Distribution, LLC (SourceGas) and the impact on its customers. Commission to receive an update from SourceGas representatives about problems related to the Company's billing system and associated issues.** SourceGas personnel provided information on resolution of ongoing billing problems. New problems which have arisen since the last meeting concerning State Senator Cale Case and Joe Quiroz, both SourceGas customers in Lander, were also addressed by the company. Bud Becker of SourceGas said work also continues to begin an outside audit of the billings with selection of an audit firm to be made within the week. SourceGas agreed to provide additional information and meet again with the Commission on April 1 for another progress update.
5. **Docket No. 30022-111-GA-08 (Record No. 11662) SourceGas Distribution, LLC, and EnCana Oil & Gas (USA), Inc. (EnCana) to present information regarding the possible discontinuation of natural gas service to eight retail customers in the Pavillion/Shoshoni area, including the status of the related gas commodity sales agreement between those companies and the quality of the gas supplied pursuant to that agreement.** Bud Becker, SourceGas, said his company and Encana have reached an agreement to extend the existing agreement for five months until August 31, 2008, which will allow service to continue. He also said a formal application to abandon service has been filed. The affected customers voiced their concerns and questions regarding the possibility of building a new service line and return of easements if the existing line is abandoned. Chris Petrie, Commission Chief Counsel, explained the jurisdictional powers of the Commission to the customers and requested that SourceGas provide copies of the

extension agreement to the Commission and the customers. This item will be placed on the next open meeting agenda for further discussion after staff has had an opportunity to review the extension contract and the application for abandonment.

A full audio transcript is available upon request.

Next Open Meeting: Tuesday, April 1, 2008, at 9:00 a.m.

Prepared by: Deborah McFerrin

ACCEPTED and APPROVED by the Commission on the 29<sup>th</sup> day of August 2008.

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Kathleen A. "Cindy" Lewis, Chairman