

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

Wednesday, March 4, 2009
9:00 a.m.

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

Bill Gray, Cheyenne Light, Fuel and Power
Randy Leiner, Cheyenne Light, Fuel and Power
Mark Stege, Cheyenne Light, Fuel and Power
John Sundahl, local counsel for Cheyenne Light Fuel and Power

Commission Staff: Vicky Hansen, Chris Petrie, David Piroutek

REGULAR AGENDA ITEMS

- 1. Undocketed. Representatives of Cheyenne Light, Fuel and Power (Cheyenne Light) will appear before the Commission to discuss issues identified in Commission Staff's Facility Investigation Report concerning damage to the Company's natural gas facilities on November 17, 2008. Commission to consider the adequacy of Cheyenne Light, Fuel and Power's response and the information presented, and schedule further proceedings as deemed necessary.** Dave Piroutek, Commission Advisory Staff (CAS) provided a technical memo dated December 9, 2008. Mr. Piroutek explained how Commission Staff conducts inspections and works directly with companies to assist them in resolving problems. He outlined his investigation of the November 17, 2008, outage near East Lincolnway wherein a contract locator for Cheyenne Light incorrectly marked an area as "all clear." City crews working at that location came in contact with the line causing an outage. Mr. Piroutek then described an earlier event on December 1, 2007, where the contract locator for Cheyenne Light failed to use a map and incorrectly marked an area as "all clear", resulting in City crews coming in contact with gas and electric lines causing a small fire. Mr. Piroutek stated Cheyenne Light was not following its own procedures in these two events. Mark Stege, General Manager for Cheyenne Light, provided statistics regarding locates which show Cheyenne Light has had very few occurrences in 2008. Bill Gray, Director of Technical Support for Cheyenne Light, presented a diagram depicting the site of the November 17, 2008, event which showed the actual location of the lines and the incorrect locator marks. After further discussion, Cheyenne Light was directed to file a report with the Commission showing the number of dig-ins related to electrical facilities and joint gas and electrical facilities.

A full audio transcript is available upon request.

Next Open Meeting: Thursday, March 5, 2009, at 1:30 p.m.

Prepared by: Angie Elliott

ACCEPTED and APPROVED by the Commission on the 23rd day of June, 2009.

Alan B. Minier, Chairman*

*Participated at Open Meeting as Commissioner, appointed as Chairman on March 5, 2009.

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

Tuesday, March 17, 2009
1:30 p.m.

Commissioners: Chairman Alan B. Minier, presiding
Deputy Chairman Steve Oxley
Commissioner Kathleen A. "Cindy" Lewis

Martel Brower, Lower Valley Energy, Inc. (by telephone)
Garrett Frescoln, Frannie-Deaver Utilities Co. (by telephone)
Yvonne Hogle, Rocky Mountain Power (by telephone)
Angie Jennings, Lower Valley Energy, Inc. (by telephone)
Bryan Lee, Frannie-Deaver Utilities Co. (by telephone)
Michael McBride, Lower Valley Energy, Inc. (by telephone)
Dave Mosier, Rocky Mountain Power
Gay Petersen, Lower Valley Energy, Inc. (by telephone)
Jim Webb, Lower Valley Energy, Inc. (by telephone)

Commission Staff: Blair Bales, Don Biedermann, Michelle Bohanan, Jess Bottom, Vicky Hansen, Steve Mink

CONSENT AGENDA ITEMS

- 1. Docket No. 20000-341-EP-09 (Record No. 12045) The application of Rocky Mountain Power to reduce deferred net power cost rates by 0.48% to recover \$26.8 million in deferred net power costs and to increase base net power cost rates by 4.33% or approximately \$21.1 million through the power cost adjustment mechanism. Commission to consider and act on the intervention petitions listed below:**
 - a. Petition to Intervene of Kinder Morgan Interstate Gas Transmission LLC;**
 - b. Petition for Leave to Intervene of Interwest Energy Alliance;**
 - c. Petition for Leave to Intervene of the Wyoming Industrial Energy Consumers.**

- 2. Docket No. 20000-333-ER-08 (Record No. 11824) Amended application of Rocky Mountain Power for approval of a general rate increase of approximately \$28.8 million per year (6.1% overall average increase). Commission to consider and act on Unopposed Request for Excusal of intervenor Cimarex Energy Co.**

Chairman Minier introduced the consent agenda items for consideration. There were no requests to remove an item for further consideration and no comments or questions. Vicky Hansen, Commission Counsel, recommended approval of the petitions listed in Item 1 by Order only, effective immediately, and approval of the request in Item 2 by Letter Order signed by Commission Counsel. Deputy Chairman Oxley moved to take

action as recommended. Commissioner Lewis seconded the motion, and Chairman Minier concurred.

REGULAR AGENDA ITEMS

1. **Docket No. 20000-341-EP-09 (Record No. 12045) The application of Rocky Mountain Power (RMP) to reduce deferred net power cost rates by 0.48% to recover \$26.8 million in deferred net power costs and to increase base net power cost rates by 4.33% or approximately \$21.1 million through the power cost adjustment mechanism. Commission to consider and act on the company's Petition for Confidential Treatment and Protective Order.** Dave Mosier of RMP said the company has received data requests from WIEC, an intervenor in this docket, and approval of the protective order would facilitate the exchange of information. Yvonne Hogle, counsel for RMP, said information being shared includes commercially sensitive information which RMP deems confidential, and she said the proposed order is very similar to those approved by the Commission in prior dockets. The Commission pointed out that the draft order provided by RMP did not make any reference to Rule 120. There were no further comments or questions. Steve Mink, Commission Counsel, recommended approval of the Order, effective immediately, with the inclusion of language referencing Section 120 of the Commission Rules. Deputy Chairman Oxley moved to approve the petition as recommended. Commissioner Lewis seconded the motion, and Chairman Minier concurred.

2. **Docket No. 30007-89-GP-09 (Record No. 12079) Application of Frannie-Deaver Utilities Co. (Frannie-Deaver) for authority to pass on a commodity balancing account decrease of \$1.003 per MCF. Commission to consider and potentially act on the application.** Jess Bottom, Commission Advisory Staff (CAS), provided a technical memo dated March 12, 2009. Bryan Lee of Frannie-Deaver said the requested decrease is composed of the projected purchase gas cost, a credit in the commodity balancing account surcharge and the non-commodity rate approved in the last general rate case. In response to a concern previously expressed by the Commission, Mr. Lee said the utility's meters were re-calibrated in January, and Frannie-Deaver is now better able to track line losses and gains. Mr. Bottom said the company's operating ratio appears to be above the authorized percentage, but he said this may change with better tracking of line losses and gains. 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, 2009, and further recommended the Order indicate the Commission will monitor the operating ratio for compliance with the authorized rate. Deputy Chairman Oxley moved to take action as recommended, and Commissioner Lewis seconded the motion. Chairman Minier concurred.

3. **Docket No. 10012-53-CT-09 (Record 12063) Application of Lower Valley Energy, Inc., (LVE) for authority to file their Rules and Regulations (seeking approval of revised rules and regulations). Commission to consider and act on LVE's request for approval of revised rules and regulations.** Don Biedermann, CAS, provided a technical memo dated March 9, 2009. James Webb of LVE said the application is an

attempt to update rules and regulations to reflect actual costs for many fees charged. Angie Jennings, Director of Customer Service for LVE, provided a detailed explanation of the requested changes and responded to Commission questions. There were no further comments or questions. Mr. Biedermann recommended approval of the application by Notice and Order, effective immediately, with the tariffs to be effective April 1, 2009, and with inclusion in the rules of an agreed-upon change to Section 11 referring to Commission rules. Deputy Chairman Oxley moved to take action as recommended. Commissioner Lewis seconded the motion, and Chairman Minier concurred.

- 4. Docket No. 30018-43-GT-09 (Record 12062) Application of Lower Valley Energy, Inc., for authority to file their Rules and Regulations (seeking approval of revised rules and regulations). Commission to consider and act on LVE's request for approval of revised rules and regulations.** Don Biedermann, CAS, provided a technical memo dated March 9, 2009. James Webb of LVE said this application is very similar to the previous item and updates the rules and regulations pertaining to the natural gas portion of the business. Mr. Webb then reviewed the proposed changes. There were no further comments or questions. Mr. Biedermann recommended approval of the application, again with a change to the section on meter testing to include reference to Commission rules, by Notice and Order, effective immediately, with the tariffs to become effective April 1, 2009. Deputy Chairman Oxley moved to take action as recommended. Commissioner Lewis seconded the motion, and Chairman Minier concurred.

A full audio transcript of the meeting is available upon request.

Next Regular Open Meeting: Friday, March 27, 2009, at 1:30 p.m.

Prepared by: Deborah McFerrin

ACCEPTED and APPROVED by the Commission on the 28th day of July 2009.

Alan B. Minier, Chairman

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

Friday, March 27, 2009
1:30 p.m.

Commissioners: Chairman Alan B. Minier, presiding
Deputy Chairman Steve Oxley
Commissioner Kathleen A. "Cindy" Lewis

Richard Brown, Access Point, Inc. (by telephone)
Ray Crowley, iNetworks Group, Inc. (by telephone)
Yvonne Hogle, Rocky Mountain Power (by telephone)
Chris Kilpatrick, Cheyenne Light, Fuel and Power Company (by telephone)
Dave Mosier, Rocky Mountain Power
Rita Mulkern, Montana-Dakota Utilities Co. (by telephone)
John Sundahl, Cheyenne Light, Fuel and Power Company

Office of Consumer Advocate (OCA): David McMullian, Denise Parrish,
Ivan Williams

Commission Staff: Blair Bales, Don Biedermann, Michelle Bohanan,
Vicky Hansen, Barbara Iversen, Luy Luong, Marci Norby, Steve Mink,
Chris Petrie, Art Schmidt, Tom Wilson

CONSENT AGENDA ITEMS

1. **Docket No. 20000-341-EP-09 (Record No. 12045) Application of Rocky Mountain Power to reduce deferred net power cost rates by 0.48% to recover \$26.8 million in deferred net power costs and to increase base net power cost rates by 4.33% or approximately \$21.1 million through the power cost adjustment mechanism.**
 - a. **Commission to consider and act on Motions for Admission *Pro Hac Vice* of Thorvald A. Nelson, Robert M. Pomeroy Jr., Mark A. Davidson and Robyn A. Kasiwa. Commission advisory staff: Steve Mink, Don Biedermann and Michelle Bohanan.**
 - b. **Commission to consider the issuance of a Special Order Authorizing One Commissioner and/or Hearing Examiner. Commission Staff: Steve Mink, Don Biedermann and Michelle Bohanan.**
2. **Docket No. 20000-343-ET-09 (Record No. 12064) Application of Rocky Mountain Power for authority to revise its Blue Sky Tariff. Commission to consider and potentially act on the Petition for Leave to Intervene filed by Interwest Energy Alliance (Petition).**

Chairman Minier introduced the consent agenda items for consideration. There were no requests to remove an item for further consideration and no comments or questions. Steve Mink, Commission Counsel, recommended approval of all items by Order only, effective immediately. Deputy Chairman Oxley moved to take action as recommended, Commissioner Lewis seconded the motion, and Chairman Minier concurred.

REGULAR AGENDA ITEMS

1. **Docket No. 20000-341-EP-09 (Record No. 12045) Application of Rocky Mountain Power to reduce deferred net power cost rates by 0.48% to recover \$26.8 million in deferred net power costs and to increase base net power cost rates by 4.33% or approximately \$21.1 million through the power cost adjustment mechanism. Commission to consider and act on the Company's Motion for Interim Rates, effective April 1, 2009.** Michelle Bohanan and Don Biedermann, Commission Advisory Staff (CAS), provided a technical memo dated March 25, 2009. Dave Mosier, Rocky Mountain Power's Regulatory Affairs Manager, provided a summary of the application. He explained that the Company and the intervenors in its last Rate Case stipulated that no party would object to an interim PCAM increase of \$7.074. He stated that the interim rate would allow the Company to begin recovery of deferred net power costs, while the parties continue to review the application and work to identify and resolve any potential PCAM issues. There were no further comments or questions. Steve Mink, Commission Counsel, recommended approval of the application by Notice and Order, effective immediately. Deputy Chairman Oxley moved to take action as recommended, Commissioner Lewis seconded the motion and Chairman Minier concurred.

2. **Docket No. 30005-126-GP-09 (Record No. 12068) Application of Cheyenne Light, Fuel and Power Company for authority to pass on a wholesale gas cost decrease of \$2.0328 per Dth for firm and interruptible rate classes beginning April 1, 2009, and petition for confidential treatment of natural gas acquisition strategy and financial forecasting information. Commission to consider and act on the company's application and petition for confidential treatment.** Tom Wilson, CAS, provided a technical memo dated March 24, 2009. Chris Kilpatrick of Cheyenne Light stated the Company is proposing to reduce the total GCA by \$2.03 per Dth from the current rate of \$4.40 per Dth. Mr. Kilpatrick said the reason for the large decrease is due to a decrease in forecasted April gas costs. The proposed rate still contains the \$0.45 credit for the "give back" of the CBA that was filed in October 2008. There were no further comments or questions. Blair Bales, Commission Counsel, recommended approval of the application by Notice and Order, for usage on and after April 1, 2009, and approval of the Petition for Confidential Treatment, effective immediately. Deputy Chairman Oxley moved to take action as recommended, Commissioner Lewis seconded the motion and Chairman Minier concurred.

3. **Docket No. 30013-214-GP-09 (Record No. 12080) Application of Montana-Dakota Utilities Co. for authority to pass on a wholesale gas cost decrease of \$0.524 per Dth for residential, firm general service and interruptible customers and a wholesale gas cost decrease of \$1.445 per Dth for optional seasonal customers. Commission to**

consider and act on the Company's application and associated petition for confidential treatment. Luy Luong, CAS, provided a technical memo dated March 20, 2009. Rita Mulkern of Montana-Dakota Utilities Co. stated this application is for the purchase gas cost adjustment for the month of April which is a decrease of \$0.524 per Dth for all customers except for firm seasonal customers who will receive a decrease of \$1.445 per Dth. Ms. Mulkern stated the reason for the large decrease is the seasonal switch from the winter to summer and the recent drop in the commodity price. There were no further comments or questions. Victoria Hansen, Commission Counsel, recommended approval of the application by Notice and Order, for usage on and after April 1, 2009, and approval of the Petition for Confidential Treatment, all to be effective immediately. Deputy Chairman Oxley moved to take action as recommended, Commissioner Lewis seconded the motion and Chairman Minier concurred.

4. **Docket No. 70211-1-TA-08 (Record No. 12008). Application of iNETWORKS Group, Inc., for a Certificate of Public Convenience and Necessity to provide local telecommunications services in Wyoming. Commission to consider and act on application.** Art Schmidt, CAS, provided a technical memo dated March 3, 2009. Ray Crowley, Vice President of iNETWORKS Group, Inc., presented the application stating iNETWORKS is a facilities-based reseller who works primarily with government agencies. Their largest customer is the Department of Defense; and they provide a number of high speed data network services to them and to other government agencies. Mr. Crowley stated they are currently working with the Census Bureau in other states and need to be able to operate in Wyoming as a CLEC for the Bureau's 2010 activities. They expressed hope for other opportunities in the state in the future. There were no further comments or questions. Steve Mink, Commission Counsel, recommended approval of the application by Order only, effective immediately. Deputy Chairman Oxley moved to take action as recommended, Commissioner Lewis seconded the motion and Chairman Minier concurred.
5. **Docket No. 70205-2-TA-09 (Record No. 12041). Application of Access Point, Inc., for a Certificate of Public Convenience and Necessity to provide local exchange telecommunications services in Wyoming. Commission to consider and act on application.** Luy Luong, CAS, provided a technical memo dated March 13, 2009. Richard Brown, Chief Executive Officer of Access Point, stated they are a North Carolina corporation and are requesting the CPCN in order to provide resold and facilities-based local exchange services in Wyoming. They plan to serve the areas currently served by Qwest Communications and may also utilize the facilities of other facilities-based companies in those areas. There were no further comments or questions. Steve Mink, Commission Counsel, recommended approval of the application by Order only, effective immediately. Deputy Chairman Oxley moved to take action as recommended, Commissioner Lewis seconded the motion and Chairman Minier concurred.
6. **Undocketed. Funding requirement and proposed assessment factor for the July 2009 to June 2010 fiscal year of the Wyoming Universal Service Fund (WUSF). Commission to consider and act on the Office of Consumer Advocate's request for a copy of the 2009-2010 Confidential Report of the WUSF Manager in advance of filing the Report and access to confidential source data used to create the Report.** Ivan

Williams, Senior Counsel for the OCA, stated his office has intervened in WUSF proceedings in the past, usually when the fund manager's report is issued around April 1st and the OCA does require certain confidential information from each company, including the fund manager's report. Mr. Williams stated the process followed last year was for the OCA to acknowledge receipt of the confidential information in writing, return the confidential information to the Commission Staff, and allow any member of Commission Staff to verify any confidential electronic information had been deleted from OCA's computers. The OCA is prepared to follow the same instruction for this year's report. Commission Staff did not object to following the same procedure as last year. There were no further comments or questions. Deputy Chairman Oxley moved to authorize an Order granting the OCA access to all data under the terms similar to those listed in the April 15, 2008 Letter Order. Commissioner Lewis seconded the motion and Chairman Minier concurred.

A full audio transcript of the meeting is available upon request.

Next Regular Open Meeting: Monday, April 6, 2009, at 1:30 p.m.

Prepared by: Angie Elliott

ACCEPTED and APPROVED by the Commission on the xx day of July 2009.

Alan B. Minier, Chairman