

WYOMING PUBLIC SERVICE COMMISSION

Minutes of Regular Open Meeting
Thursday, March 1, 2018
1:30 p.m.

Commissioners: Deputy Chair Kara Brighton Fornstrom
Commissioner Robin Sessions Cooley

Michael Easley, Chief Executive Officer, Powder River Energy Corporation (by telephone)
Bruce Asay, Associated Legal Group, LLC, Counsel for Montana-Dakota Utilities Co. (MDU)
Garet Singer, Vice President of Regulatory Affairs, MDU (by telephone)
Jonathan Dever, MDU (by telephone)
Jerrad Hammer, Director of Rates and Regulatory, Black Hills Energy (by telephone)
Tre Hendricks, Senior Corporate Counsel, CenturyLink QC (by telephone)
Lisa Anderl, Senior Corporate Counsel, CenturyLink QC (by telephone)
Ronnie Lopez, Bailey Stock Harmon, Cottam and Lopez, Counsel for AARP Wyoming (by telephone),
Joe Baron, County Attorney, (by telephone), Crook County Board of Commissioners

Office of Consumer Advocate (OCA): Ivan Williams

Commission Staff (CS): John Burbridge, Michelle Bohanan, Pam Temte, Melissa Mizel, Luy Luong, Nathan Brennan, Rachel Meeker, Chris Petrie, Lori Brand, Shirley McCown and Tom Wilson

REGULAR AGENDA

1. **Docket No. 10014-179-CK-17 (Record No. 14692). Powder River Energy Corporation's filing of wholesale electric supplier contracts. Commission to consider and act on filing and *Petition for Confidential Treatment of Contract Filing (Petition)*.** Michelle Bohanan and Pam Temte, CS, provided a technical *Memo* dated February 12, 2018. Mike Easley, PRECorp's CEO, stated this is a work in progress and provided background about the requirement to file contracts and PRECorp's determination of what is appropriately confidential. He said the Company, after discussions with Commission Staff, decided on less redaction of the two contracts and provided details. With regard to the Members First Electric Service Agreement under administration fees and Exhibit 1, he asserted certain details need to be redacted from Section 9.2. With regard to the Wholesale Power contract, he argued that having public versions of the contract could adversely impact bids, how they are prepared, and the ultimate value of the agreement for the membership, and requested redacting the entire section. A discussion followed regarding whether the title and the paragraph number should remain confidential and Mr. Easley agreed to leave it in the public version. There were no further questions or comments. John Burbridge, Commission Counsel, said he has worked with the Company to obtain the substitution of the pages. He recommended acceptance of the contracts for filing, and

granting the *Petition* with the amendments discussed, as well as working with PRECorp to determine confidentiality of the title, by *Order* only, effective immediately. Commissioner Cooley moved to act as recommended and Deputy Chair Fornstrom seconded the motion.

2. **Docket No. 90000-134-XO-17 (Record No. 14915). Commission's Consideration on its own Motion of the Effect of the Tax Cuts and Jobs Act of 2017 on the Propriety of Rates Charged by Public Utilities and Telecommunications Companies Providing Service in Wyoming. Commission to receive and consider status update from Commission Staff and take such action as the public interest may require. Such action may include, but shall not be limited to, requiring the filing of preliminary assessments, action plans, and/or applications to revise rates.** Chris Petrie, Chief Counsel, explained an *Order* produced on December 29, 2017, directing companies to start accounting for deferred regulatory liability consisting of the financial benefits that are being produced by the tax cuts. He said this *Order* was amended on January 23, 2018, to clarify its inapplicability to the majority of telecommunications companies. Following that, a technical conference was held in February 2018 from which Commission Staff developed a roadmap for proceedings that will be necessary in this matter. Mr. Petrie recommended the affected utilities that are organized as corporations be directed to file an assessment of the Tax Cuts and Jobs Act on their rates, and a statement of their intentions with respect to any anticipated rate adjustments related to the corporate tax rate change on or before March 30, 2018. Additionally, affected utilities organized as pass-through entities, such as LLCs, S Corps, partnerships, and sole proprietorships, be directed to file an assessment by April 30, 2018. Mr. Petrie specified the filings should contain an explanation of the basis the utility is using for deferral calculations, tax effects in the assessments (accumulated deferred income tax, excess deferred income tax, bonus depreciation or other similar items); how any refunds or other benefits will be allocated to customers; whether the utility is planning to request interim rates changes in the filing; and whether the utility intends to apply any carrying charges in the calculations. Some items might not be applicable, but at minimum a general explanation should be included as to why no rate changes are expected. Mr. Petrie stated that public comments will be solicited on these assessments and Commission Staff will be available for the public discussion. This process is open to OCA and other parties or customer advocate groups. Also, he recommended that affected utilities should be advised that subject to any determination by the Commission that no adjustment of rates appears necessary, they will be directed to file an application at a later date, but before the end of this year, and those individual applications should be filed in separate dockets. The recommended Order should also instruct or notify those utilities with pending rate applications that they should be addressing the effects of Tax Cuts and Jobs Act in the rate docket.

Bruce Asay, Counsel for MDU, said this procedure is consistent with the technical conference and with how MDU plans to proceed. Stacy Splittstoesser, RMP's Wyoming Regulatory Affairs Manager, stated RMP is agreeable to the schedule. Kelly Mendenhall, Dominion Energy's General Manager of Regulatory Affairs, said Dominion was also agreeable and will be ready. Jerrad Hammer, BHE's Director of Rates and Regulatory, stated BHE is also in agreement.

Deputy Chair Fornstrom clarified that during the assessment phase, the Commissioners will have no involvement. There were no further questions or comments. Commissioner

Cooley moved to proceed forward as recommended by Mr. Petrie and Deputy Chair Fornstrom seconded the motion.

3. Docket No. 90000-113-XI-10 (Record No. 12650). Investigation by the Commission into the quality and reliability of essential telecommunications service provided by Qwest Corporation d/b/a CenturyLink QC in its certificated territories in Wyoming;

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; and

Docket No. 90000-128-XI-16 (Record No. 14475). Investigation by the Commission into the quality and reliability of essential telecommunications service provided by Qwest Corporation d/b/a CenturyLink QC in Zones 2 and 3 of the rural areas of Crook County, Wyoming.

Parties to appear and provide a report on the status of settlement negotiations.

Ivan Williams, OCA, reported that substantial progress has been made and the parties are working through the details. He said the parties are now waiting for a second draft of a more comprehensive document that takes into account the issues relevant to the service quality docket and the deregulation docket. He provided some details of the terms in the agreement.

Tre Hendricks, CenturyLink's Senior Corporate Counsel, stated CenturyLink concurred with OCA's comments, agreed progress is being made and said there is a high likelihood of success. Joe Baron, Crook County Attorney, said he is concerned with the details as he is not aware of them.

Mr. Williams confirmed in response to Commissioner Cooley that no consumers have been involved in negotiations thus far. He noted that Bryce Freeman, OCA, has had a number of conversations with individual customers and said there must be an educational process to inform customers eligible to participate in the solution of the nature of the agreement, and also what pricing would look like post deregulation if that were to occur. Deputy Chair Fornstrom asked if OCA intends to seek input from customers prior to the Agreement being executed. Mr. Williams said he is not aware of Mr. Freeman's intention in this regard. He anticipated there would be a test of the proposed solution and customer input might be valuable at that point. Mr. Hendricks responded to the Deputy Chair he is hopeful the Company can achieve a test of the technology within six weeks to confirm it is a viable solution. Once that is completed, the parties will be able to present the document to the Commission for approval. He thought 12 weeks is a realistic goal. Mr. Baron added this proposal actually might work and, therefore, wants the testing to proceed. He thought there should be more urgency in this regard and the customers need an opportunity to see this solution. Mr. Hendricks assured the Commission this project has been the highest priority and he stated he will attempt to bring this to resolution within five weeks and will report to the Commission when there is a date for testing. Lori Brand, Commission Counsel, expressed concern about the deregulation docket in that the Commission will need to rely on facts to determine competition pursuant to the statutory requirements. There were no

further questions or comments. Deputy Chair Fornstrom directed the parties to report back to the Commission no later than the second week in April. Commissioner Cooley agreed.

4. **Docket No. 70000-1644-TA-17 (Record No. 14742) Application of Qwest Corporation d/b/a CenturyLink QC for Determination that Basic Residential and Business Services Are Competitive throughout all of CenturyLink QC's Zone 2 and Zone 3 Service Areas. Commission to consider and act on *Joint Motion of CenturyLink, the Office of Consumer Advocate, AARP, and the Independent Telephone Companies to Suspend the Procedural Schedule, or in the Alternative to Modify the Schedule (Joint Motion)*.** Lisa Anderl, CenturyLink's Senior Corporate Counsel, said this item has significant overlap of issues with the previous docket. She said the parties have been consumed with negotiations on the technical aspect of reaching a settlement and postponing the hearing could benefit this docket. She said the time would be better spent in settlement discussions and all parties have agreed on this. Ronnie Lopez, Counsel for AARP, had nothing to add and said AARP does not object to a continuance. There were no questions or comments. Deputy Chair Fornstrom stated she was inclined to suspend the procedural schedule rather than modify as it could take some time to find dates given the Commission's calendar. Ms. Anderl, Mr. Williams, OCA, Mr. Lopez, and Mr. Baron, all agreed to suspend the procedural schedule. Lori Brand, Commission Counsel, recommended granting the *Joint Motion to Vacate the Hearing Date and to Suspend the Procedural Schedule by Order* only, effective immediately. Commissioner Cooley moved to act as recommended. Deputy Chair Fornstrom seconded the motion.

Prepared by: Barbara Tomlinson

Date of Next Open Meeting: Thursday, March 8, 2018

ACCEPTED and APPROVED by the Commission on May 17, 2018.

Chairman William F. Russell

WYOMING PUBLIC SERVICE COMMISSION

Minutes of Regular Open Meeting
Thursday, March 15, 2018
1:30 p.m.

Commissioners: Chairman William F. Russell
Deputy Chair Kara Brighton Fornstrom

David Wilson, Complainant (by telephone)
Daniel E. Solander, Senior Counsel, Rocky Mountain Power
Stacy Splittstoesser, Wyoming Regulatory Affairs Manager for Rocky Mountain Power
Bruce Asay, Associated Legal Group, LLC, Counsel for Montana-Dakota Utilities Co.
Frank Tomasini, Rocky Mountain Power (by telephone)
James Elliott, Manager-Regulatory, Black Hills Energy
Martell Brower, Director of Gas Operations, Lower Valley Energy

Commission Staff (CS): Katie Koski, Luy Luong, Steve Mink, Kara Seveland, Perry McCollom, Chris Petrie, John Burbridge, Michelle Bohanan, Morgan Fish. James Branscomb, David Piroutek and Melisa Mizel

CONSENT AGENDA

- 1. Docket No. 70253-1-TA-17 (Record No. 14902). Application of Birch Communications, Inc. for a Certificate of Public Convenience and Necessity to provide local exchange telecommunications service in Wyoming. Commission to consider and act on letter requesting confidential treatment of financial information filed on November 22, 2017 (*Letter Request*).**

Katie Koski, Commission Counsel, recommended granting the letter request by *Order* only, effective immediately. Deputy Chair Fornstrom moved to act as recommended. Chairman Russell seconded the motion.

REGULAR AGENDA

- 1. Docket No. 20000-524-EC-17 (Record No. 14836). Formal Complaint Filing by David Wilson against Rocky Mountain Power (RMP). Commission to receive an update from RMP and Mr. Wilson, and take such action as the public interest may require.**

David Wilson, complainant, provided an update to the Commission. Mr. Wilson advised that he and his wife are still experiencing high-pitched whirring and humming noises that will only dissipate if the home is completely disconnected from the transformer. Frank Tomasini, RMP, indicated that the compositor was taken offline, which lowered the voltage for the home and tightened up the voltage at the substation. He informed the Commission that the Company has a chart that over time will show whether taking the compositor offline helped. Mr. Tomasini, responding to a question from Deputy Chair Fornstrom, stated no one from the Company has heard the noises reported by Mr. Wilson. Mr. Wilson, in response to a question from Chairman Russell, advised that when everything was turned off at the breakers he was able to hear the difference, but did not notice whether it was a specific breaker. Chairman Russell stated the formal hearing has been stayed while the Company continues to work with Mr. Wilson in resolving the issue and requests an update in two weeks. Mr. Tomasini agreed with the timeframe for another update and stated the Company is working to change the transformer. Mr. Wilson also agreed to the proposed schedule.

2. **Docket No. 90000-126-XO-16 (Record No. 14378). In the matter of the study by the Commission on its own motion of statewide Wobbe indices. Commission to receive Staff presentation on quarterly reporting of Wobbe values by natural gas distribution utilities for the fourth quarter of 2017 and take such action as the public interest may require.**

Michelle Bohanan, Kara Seveland, and Morgan Fish, Commission Staff, provided a *Memo* dated March 12, 2018. The utilities that are in full compliance with Chapter 3, Sections 1(c)(iv) and (v) include: (30010) Questar Gas Company d/b/a Dominion Energy Wyoming (Dominion Energy), (30016) Pinedale Natural Gas Inc. (Pinedale), and (30019) Town of Walden (Walden). Deputy Chair Fornstrom reminded the utilities that the next report will be outside the forbearance period and, therefore, enforcement actions may result.

30003- Black Hills Energy, a division of Cheyenne Light, Fuel and Power Company (BHE-NE)

Results for 12 gas quality sampling points within BHE-NE's certificated territory indicate the gas sampled at the Newcastle Plant in December 2017 exceeded the 4% allowable deviation. The action item requested is to darken the gray shading on the map, so that the Company's service territory is more easily identified. James Elliott, Manager-Regulatory for Black Hills Energy, advised the Newcastle plant is a processing plant and there was a disturbance in the process that the Company is investigating.

30005-Cheyenne Light, Fuel and Power Company, d/b/a Black Hills Energy (BHE-CLFP)

The Company filed an Application to update the Wobbe Index for the Cheyenne area and to establish indices for the Carpenter-Burns and Pine Bluffs areas. The Company does not have available all the test results specified for this quarter's report. Action items include adding the names and locations of the interconnecting pipelines to the map provided and acquiring the gas constituent information necessary. Mr. Elliott advised the Company will be in compliance and will be designating on the next quarter's report.

30007-Frannie Deaver Utilities (FDU)

The Company's Wobbe Indices were established from assumptions regarding the amount of gas from each source that is consumed in each area and was within the 4% allowable deviation. Action items include determining what the Btu values for the local production wells should be, correcting the report, and determining whether the October 2017 WBI specific gravity of 0.645 is accurate and correcting it, if necessary.

30009-Wyoming Gas Company (WGC)

The Company has filed updated Wobbe Indices in the Grass Creek and Lake Creek areas. The action item is to file the amendments or corrections to the Sub 63 application.

30011- Black Hills Northwest Wyoming Gas Utility Company, LLC d/b/a Black Hills energy (BHE-NW)

The Company has reported receipts imbalances. Action items include acquiring the gas constituent information necessary to report compliance, and devising a method for reporting system activities such that net gas receipts into the system and receipts through the city gates are in balance.

30013-Montana-Dakota Utilities Co. (MDU)

Action items for the company include addressing the remaining map requests. Bruce Asay, Counsel for MDU, stated that the Company has been working with Staff and data will be corrected by the next report.

30018-Lower Valley Energy (Lower Valley)

Lower Valley does not have established Wobbe Indices and will file to establish once it collects 12 months of heating value data. Action items for the Company include removing "chromatograph" from the field that reports the testing equipment, entering the date the Company obtains and tests each month's LNG sample, and filing an application to establish Wobbe Indices once the Company has 12 months of heating value data. Michelle Bohanan, Commission Staff, asked why the November and December values are the same. Martell Brower, Director of Gas Operations for Lower Valley, stated that the chromatograph reports have been used, that there was not a difference in numbers, and the numbers have been verified.

30022-Black Hills Gas Distribution, d/b/a Black Hills Energy (BHE-BHGD)

Deviations in the Midwest-Edgerton area has exceeded the 4% allowable deviation. The Company has filed an Application to update or establish Wobbe Indices in the Arapahoe, Midwest-Edgerton and Powder River areas. Action items include correcting the elevations and atmospheric pressures for specific measurement points, exploring whether a single gas quality measurement point results in a customer billing that reasonably reflects the utility value customers receive, acquiring the gas constituent information necessary for Douglas,

Torrington north and west, Glenrock, and Guernsey-Wheatland, verifying the accuracy of the atmospheric pressure reported for the Wright area and correcting it, if necessary. Mr. Elliott advised that the action item regarding atmospheric pressure has been addressed, but erroneously not changed on the report. Mr. Elliott stated the Company is sampling and will be in compliance for the first quarter, and also will address the atmospheric pressure issue in Wright.

30024-Fall River Enterprises (Fall River)

Staff is working with the Company regarding heating value reports from heating suppliers. Mr. Martell advised that the system was purchased from Lower Valley and the Company is trying to establish some baseline method to measure what is being distributed to customers. David Piroutek, Commission Engineer, advised that he will be conducting an inspection for Fall River and will work with the Company on compliance.

Prepared by: Sylvia Sanchez

Date of Next Open Meeting: Thursday, March 27, 2018

ACCEPTED and APPROVED by the Commission on June 14, 2018.

Chairman William F. Russell

WYOMING PUBLIC SERVICE COMMISSION

Minutes of Regular Open Meeting
Tuesday, March 27, 2018
1:30 p.m.

Commissioners: Chairman William F. Russell
Deputy Chair Kara Brighton Fornstrom
Commissioner Robin Sessions Cooley

Bruce Asay, Associated Legal Group, LLC, Counsel for Pinedale Natural Gas (PNG)
Steve Shute, President, PNG
Joel Shute, PNG
Dustin Braegger, PNG (by telephone)
Travis Jacobson, Regulatory Affairs Manager, Montana-Dakota Utilities Co. (MDU) (by telephone)
Garret Frescoln, Vice President, Frannie Deaver Utilities Co. (by telephone)
Jason S. Keil, Manager – Regulatory, Cheyenne, Light, Fuel and Power Company d/b/a Black Hills Energy (CLFP)
Jana Smoot-White, Associate General Counsel, CLFP (by telephone)
Jerrad Hammer, Director Regulatory, Black Hills Energy (BHE)
James Elliott, Manager Regulatory, BHE
Shirley Welte, Vice President of Operations, Cheyenne Light Fuel & Power (CLFP)
Ken Crouch, Tax Associate, BHE (by telephone)
Yvonne Hogle, Counsel, Associate Counsel, Rocky Mountain Power (RMP) (by telephone)
Jonathan D. Hale, Senior Tax Director, RMP (by telephone)
Abby Briggerman, Holland and Hart, LLP, Counsel for Wyoming Industrial Energy Consumers (WIEC)

Commission Staff (CS): Steve Mink, Katie Koski, Pam Temte, Nathan Brennan, Michelle Bohanan, Kara Seveland, Morgan Fish, James Branscomb, Jess Bottom, Jake Kilmurray, David Piroutek, Rachel Meeker, Lori Brand and Luy Luong.

CONSENT AGENDA

1. **Undocketed. Minutes for Review for the Open Meetings on December 21, 2017 and February 27, 2018, as prepared by Sylvia Sanchez and Barbara Tomlinson.**
2. **Docket No: 30011-97-GR-17 (Record No. 14896). Application of Black Hills Northwest Wyoming Gas Utility Company, LLC d/b/a Black Hills Energy (BHE) for approval of a general rate increase of \$1,414,074 to its retail gas rates. Commission to consider and act on:**
 - a. **BHE's Petition for Confidential Treatment of Portions of the Direct Testimony of Shirley Welte and Confidential Attachments CRJ-2 and JME-5 (Petition);**

- b. **BHE's Motion for Admission Pro Hac Vice (Motion); and**
- c. **BHE's Petition for Confidential Treatment of the Direct Testimony of Shirley Welte (Petition).**
3. **Docket No. 20000-530-ET-17 (Record No. 14914). Tariff filing of Rocky Mountain Power to revise P.S.C. Wyoming No. 16 for Compliance with the Authorized Interest Rate set in Commission Docket No. 90090-12-XO-17. Commission to consider and act on tariff filing.** Morgan Fish and James Branscomb, CS, provided a technical *Memo* dated March 13, 2017.
 4. **Docket No. 20004-126-EK-17 (Record No. 14694). Contract filing between Montana-Dakota Utilities Co. (MDU) and Powder River Energy Corporation (PRECorp). Commission to consider and act on contract and MDU's Petition for Confidential Treatment of Amended and Restated Contract to Wheel Energy (Petition).** Jess Bottom, CS, provided a technical *Memo* dated March 15, 2018.
 5. **Docket No. 20000-527-EA-17 (Record No. 14863). Application of Rocky Mountain Power for authority to implement a Service Interruption Reporting Plan. Commission to consider and act on Application.** Morgan Fish, CS, provided a technical *Memo* dated March 14, 2018.
 6. **Docket No. 20003-161-EK-17 (Record No. 14850). Interconnection Agreement between Cheyenne Light, Fuel and Power Company d/b/a Black Hills Energy and the Cheyenne Board of Public Utilities. Commission to consider and act on Agreement.** Morgan Fish, CS, provided a technical *Memo* dated March 14, 2018.
 7. **Docket No. 20000-529-EA-17 (Record No. 14906). Application of Rocky Mountain Power for approval of its Meter Testing Program pursuant to revised Commission Rules and Regulations. Commission to consider and act on Application.** Commission Morgan Fish, CS, provided a technical *Memo* dated March 14, 2018.
 8. **Docket No. 70022-49-TA-18 (Record No. 14958). Notification of Ionex Communications North, Inc. d/b/a Birch Communications of name change to Ionex Communications North, LLC d/b/a Birch Communications. Commission to consider acceptance of Notification for filing.**
 9. **Docket No. 74171-27-TA-18 (Record No. 14959). Notification of Ionex Communications North, Inc. d/b/a Birch Communications of name change to Ionex Communications North, LLC d/b/a Birch Communications. Commission to consider acceptance of Notification for filing.**
 10. **Docket No. 50012-32-PT-17 (Record No. 14648). Application of Phillips 66 Pipeline LLC (Phillips 66), for authority to cancel its Wyoming PSC Tariff Nos. 3.0 and 4.0.**

AND

Docket No. 50008-4-PT-17 (Record No. 14743). Application of Pioneer Pipe Line Company (Pioneer) for authority to cancel its Refined Products Pipeline Tariff WPSC No. 12.0.

Commission to consider and act on:

- a) **Phillips 66's Motion to approve the Confidential Non-Disclosure Agreement Between Phillips 66 Pipeline LLC, Pioneer Pipeline Company and Sinclair Oil Corporation (Motion) filed on March 16, 2018;**
- b) **Sinclair Oil Corporation's Petition For Confidential Treatment (Petition) filed on March 19, 2018; and**
- c) **Sinclair Oil Corporation's Petition For Confidential Treatment (Petition) filed on March 20, 2018.**

Chairman Russell introduced the undocketed consent item. Deputy Chair Fornstrom moved to approve the *Minutes* as prepared. Commissioner Cooley seconded the motion and Chairman Russell concurred. Chairman Russell introduced the docketed consent items. For Item #s 2 and 10, John Burbridge, Commission Counsel, recommended granting the *Petitions* and *Motions*. For Item #3, he recommended approval of the tariff filing. For Item #4, he recommended acceptance of the contract for filing and granting the *Petition*. For Item #s 5 and 7, he recommended approval of the application and for Item #6, acceptance of the agreement for filing. For Item #s 8 and 9, he recommended acceptance of the Notification for filing. He recommended all of the above, by *Order* only, effective immediately. Deputy Chair Fornstrom moved to act as recommended. Commissioner Cooley seconded the motion and Chairman Russell concurred.

REGULAR AGENDA

1. **Docket 30016-82-GA-17 (Record No. 14705). Application of Pinedale Natural Gas, Inc. to obtain an Amended Certificate of Public Convenience and Necessity for expansion of the Company's certificated area. Commission to consider and act on Application.** Morgan Fish, Jess Bottom, Dave Piroutek, and Jacob Kilmurray, CS, provided a technical *Memo* dated March 21, 2018. Bruce Asay, Counsel for PNG, explained the CPCN issued in 2008 expanded PNG's certificated territory and requested service to the east. He said he received a letter last spring requesting to extend service further. Steve Shute, PNG's President, stated this expansion will add 18 square miles and include the Village of Boulder. He said the expansion can be implemented inexpensively and due to the area's undeveloped nature, the infrastructure can be plowed in. The Company now serves just over 1,500 customers but the Company will run out of expansion areas eventually. He did note there is a natural extension area just west, as well. Deputy Chair Fornstrom asked for specifics of PNG's current line extension policy and Mr. Shute provided details, noting there is a proportional refund to existing customers if additional customers tap onto the same line within five years. There were no further questions or comments. Katie Koski, Commission Counsel, recommended approval of the Application to include the proposed service territories depicted in Exhibits 1 and 2, by *Order* only, effective immediately. Deputy Chair Fornstrom moved to act as recommended. Commissioner Cooley seconded the motion and Chairman Russell concurred.

2. **Docket No. 30016-86-GP-18 (Record No. 14951). Amended Application of Pinedale Natural Gas, Inc. for authority to pass on a wholesale gas cost decrease of \$0.072 per therm through its commodity balancing account. Commission to consider and act on Application and *Petition for Confidential Treatment of Documents (Petition)*.** Michelle Bohanan, CS, provided a technical *Memo* dated March 20, 2018. Bruce Asay, PNG's Counsel, explained this is the semi-annual request for a purchased gas cost adjustment, resulting in a decrease due to a decrease in the cost of natural gas. Deputy Chair Fornstrom asked Mr. Asay to address the earnings component in this pass-on application. He responded that excess earnings are a temporary situation, and as construction season begins it will have an impact on reducing earnings. There were no further questions or comments. Steve Mink, Commission Counsel, recommended approval of the Amended Application for use on and after March 28, 2018, and granting the *Petition* by *Notice and Order*, effective immediately. Deputy Chair Fornstrom moved to act as recommended. Commissioner Cooley seconded the motion and Chairman Russell concurred.
3. **Docket No. 30013-334-GP-18 (Record No. 14955). Application of Montana-Dakota Utilities Co. for authority to pass on a wholesale gas cost decrease of \$0.530 per Dth for Firm Residential, Firm General Service, Small Interruptible and Large Interruptible customers, and a decrease of \$1.771 per Dth for Optional Seasonal customers. Commission to consider and act on Application and *Petition for Confidential Treatment of Gas Pricing Information (Petition)*.** Rachel Meeker and Nathan Brennan, CS, provided a technical *Memo* dated March 21, 2018. Travis Jacobson, MDU's Regulatory Affairs Manager, explained this is the regular monthly application to pass on purchased gas costs resulting in an overall decrease. There were no questions. Katie Koski, Commission Counsel, recommended approval of the Application for use on and after April 1, 2018, and granting the *Petition* by *Notice and Order*, effective immediately. Deputy Chair Fornstrom moved to act as recommended. Commissioner Cooley seconded the motion and Chairman Russell concurred.
4. **Docket No. 30007-130-GP-18 (Record No. 14944). Amended Application of Frannie Deaver Utilities to pass on a decrease of its natural gas cost of \$0.6563 per Mcf to its customers. Commission to consider and act on Application.** Jess Bottom, CS, provided a technical *Memo* dated March 21, 2018. Garret Frescoln, Frannie Deaver's Vice President, explained this is the quarterly commodity balancing submittal, which results in a decrease and includes a commodity balancing amortization. There were no questions or comments. Lori Brand, Commission Counsel, recommended approval of the Amended Application for use on and after April 1, 2018, by *Notice and Order*, effective immediately. Deputy Chair Fornstrom moved to act as recommended. Commissioner Cooley seconded the motion and Chairman Russell concurred.
5. **Docket No. 20003-166-EA-18 (Record No. 14946). Application of Cheyenne Light, Fuel and Power Company d/b/a Black Hills Energy for authority to decrease its Electric Voluntary Renewable Energy Rider, effective April 1, 2018. Commission to consider and act on Application.** Luy Luong, CS, provided a technical *Memo* dated March 15, 2018. Jason Keil, CLFP's Manager – Regulatory, explained the voluntary renewable energy rider rate decrease request is due to three factors: 1) over recovery of the related administration costs; 2) an over recovery of Renewable Energy Credit (REC) costs; and 3) the actual procurement of REC costs for the upcoming year. He responded to the

Deputy Chair that the Company is seeing a decrease in participation. Katie Koski, Commission Counsel, asked how the Company is providing notice. Mr. Keil responded notice is being posted in its office location, but a bill message can also be provided. Deputy Chair Fornstrom preferred personal notification about the specifics given the low number of participants. There were no further questions. Ms. Koski recommended approval of Application for use on and after April 1, 2018, by *Notice* and *Order*, with notice to be provided by posting at the place of business and on the Company's website, as well as by bill insert or electronic message, effective immediately. Deputy Chair Fornstrom moved to act as recommended. Commissioner Cooley seconded the motion and Chairman Russell concurred.

6. **Docket No: 30003-76-GA-17 (Record No. 14918). Amended Application of Black Hills Energy, a Division of Cheyenne Light, Fuel and Power Company, to recover its Annual Pipeline Safety and Integrity Mechanism costs and revise its tariff sheet Nos. 22 and 23. Commission to consider and act on Amended Application and *Petition for Confidential Treatment of Invoices and Customer Information (Petition)*.** Kara Seveland and Nathan Brennan, CS, provided a technical *Memo* dated March 21, 2018. Jerrad Hammer, CLFP's Director of Regulatory, explained this is the annual filing, which was amended due to the Tax Cuts and Jobs Act to reflect the change in the tax rates and the calculation of the 2018 revenue requirements. It also includes two additional projects, the Rocky Point Phase 2 distribution line and the North Rosette project. He stated all invoices have now been provided and the MGTC projects listed in the tariffs are now in service. All remaining issues with Fusion Energy regarding last year's filing, Rocky Point Phase 1 and the Fusion Energy bankruptcy, in which the Commission ruled to exclude the retainage and split the remaining cost overage, have been resolved. The retainage was withheld and the two unpaid invoices were never paid and taken off the books as Fusion Energy was dissolved. The Company met with Commission Staff and OCA before the filing to review the journal entries, invoices and items resolved from last year's filing, which was also tried up in this filing. He explained the updated rate requests and provided details. Commissioner Cooley asked how a net operating loss calculation is appropriate in this filing and requested additional details. Ken Crouch, CLFP's Tax Department Associate, responded that he believes it is appropriate as it was caused by accelerated depreciation in the PSIM because it was computed on a rate of return basis and computed on a standalone basis separate from the total company. He said this is also consistent with calculations done in other divisions and applying normalization provisions at the rider level is appropriate. Mr. Crouch responded to Commissioner Cooley that all of the Private Letter Rulings he has cited do not involve a General Rate Case. She asked for further explanation for the 35% tax rate for January, February, and March of 2018, given the recent legislation reducing the tax rate. Mr. Hammer responded there are several issues related to this: a) the true up calculation is related to 2017; b) a forecast for 2018; and c) a collection period that spans both years. There is a three month lag between determining the calculation and when rates go into effect. Therefore, he stated, part of the revenue in 2017 was collected in 2018, but was really meant to match the 2017 calendar year, which would be difficult to untangle because the Company uses annual calculations and based on what was approved by the Commission, if different rates were used, the calculation would not match. Commissioner Cooley asked Mr. Hammer to respond to the argument that the Company is collecting on the 35% rate but paying only a 21% rate. Mr. Hammer argued lag time is a part of the issue. Deputy Chair Fornstrom asked Mr. Hammer to provide additional details related to the unresolved Fusion Energy issues. Mr. Hammer responded that the approved 2017 revenue

requirement took out the retainage, left in invoices and split it 50%. She then asked Mr. Crouch if there was a net operating loss in last year's operation that was not included in the filing. He said there was, but acknowledged it was overlooked and was corrected this year. Deputy Chair Fornstrom expressed concern that if the Commission does not allow the treatment in this Application, there would then be a normalization violation. She said if this is how a net operating loss should be treated, then why was there no violation last year. Mr. Crouch responded this was not intentional and the IRS states that if it is corrected in the next filing, there is no violation. He further stated when accelerated depreciation caused a net operating loss, it is appropriate to include in rate base and it is appropriate to offset that amount which will reverse out when there is sufficient revenue. Chairman Russell recapped his understanding of the issue. A discussion regarding normalization and net operating loss followed and Mr. Crouch said it could be beneficial in this instance to seek a ruling from the IRS. Chairman Russell stated he is comfortable with the Company's explanation, and although it would be better to have an IRS ruling on this case, the cost could outweigh the benefit. There were no further questions or comments. Steve Mink, Commission Counsel, recommended approval of the Application and granting the *Petition* by *Order* only, effective immediately. Deputy Chair Fornstrom moved to act as recommended. Commissioner Cooley dissented with respect to the net operating loss issue. Chairman Russell seconded Deputy Chair Fornstrom's motion.

Chairman Russell announced a short recess.

7. **Docket No. 20000-506-EA-16 (Record No. 14610). Amended Application of Rocky Mountain Power (RMP) for authority to adjust rates for Electric Service Schedule 92, Bonus Tax Depreciation. Commission to consider and act on RMP's Private Letter Ruling request proposed for submission to the Internal Revenue Service (Request).** Yvonne Hogle, Associate Counsel for RMP, stated it has been some time since the case concluded and provided background. She said the Commission requested RMP file a joint statement and asked the parties to work together to draft a joint Private Letter Ruling (PLR), which was completed (including Exhibits A, B and C). She requested the Commission accept the Private Letter Ruling by executing it, which is shown as Exhibit B to this item. She also said the Commission would be invited to be a participant in any conference. Abby Briggerman, Counsel for Wyoming Industrial Energy Consumers (WIEC), said it was an extensive process to complete this PLR and WIEC is comfortable with the format, although it is not its preferred approach. Commissioner Cooley asked why the Commission's *Order* is not attached and Ms. Hogle responded that it was not part of the discussion, but both parties stated there would be no objection to attaching it. Deputy Chair Fornstrom thought the PLR was excessively long and did not specifically mention the Commission's decision. Ms. Briggerman noted mentioning the Commission's decision was a point of contention, but it was RMP's preferred approach to draft the letter that way. She said WIEC stated its position in its own section. Jonathan Hale, RMP's Senior Tax Director, reiterated RMP's reasoning behind the structure and content of the PLR. There was a discussion about the exhibits, confusion between what was submitted as an item on today's agenda and actual exhibits to the PLR. Deputy Chair Fornstrom felt the Commission's decision should be included. Chairman Russell felt it was balanced even though it could have been shorter, but thought it was time to complete the process. Lori Brand, Commission Counsel, said Commission Staff had looked to the IRS for guidance and noted it said the letter should contain a concise statement about requested treatment. Therefore, Commission Staff is concerned about the requested treatment wording. She

asked why RMP did not want to ask the question in a manner that determines whether the Commission's Order complies with normalization. Ms. Hogle and Mr. Hale both reiterated that RMP is comfortable with how the letter is currently drafted because it addresses both sides of that issue and is consistent with prior letters.

Deputy Chair Fornstrom commented the Commission is being asked to say that it has reviewed the letter and believes it is adequate and complete. She stated she would like the Company to make one more attempt to make it more objective, and to address other specific concerns within 30 days, taking into consideration issues and details discussed today.

Commissioner Cooley had several comments about RMP concern about signing the letter under penalty of perjury, recognizing WIEC's position, as well as attaching the Commission's Order. Chairman Russell stated he thought it is adequate. Chairman Russell announced a short recess to allow RMP to confer. Upon reconvening, Ms. Hogle proposed adding the Commission's position in a section of the filing that also includes WIEC's position. Ms. Briggerman agreed with this approach. Chairman Russell and Deputy Chair Fornstrom both stated that the Commission would need to consider the letter again after the proposed edits. Deputy Chair Fornstrom stated Commission Staff could provide a bullet point list of their concerns by Friday, March 30, 2018, and Stacy Splittstoesser, RMP's Wyoming Regulatory Affairs Manager, said that was acceptable to RMP. Ms. Hogle agreed to a 30-day timeframe. Deputy Chair Fornstrom moved not to accept this version of the Private Letter Ruling and directed the parties to redraft the Letter based on today's discussion. She stated the revised draft PLR will be due 30 days from the date input is received from Commission Staff. Commissioner Cooley seconded the motion and Chairman Russell abstained.

Prepared by: Barbara Tomlinson

Date of Next Open Meeting: Thursday, March 29, 2018

ACCEPTED and APPROVED by the Commission on June 14, 2018.

Chairman William F. Russell

WYOMING PUBLIC SERVICE COMMISSION

Minutes of Regular Open Meeting
Thursday, March 29, 2018
1:30 p.m.

Commissioners: Chairman William F. Russell
Deputy Chair Kara Brighton Fornstrom
Commissioner Robin Sessions Cooley

O'Kelley Pearson, Hickey and Evans, LLP, Counsel for the City of Torrington

Rebecca Payne, CH Guernsey, Consultant for the City of Torrington (by telephone)

Lynnette Strecker, City of Torrington (by telephone)

Doris McCormack, Bookkeeper, Orchard Valley Water Company

Frank Waters, President and Chief Operator and Board Member, Orchard Valley Water Company

Bruce Asay, Associated Legal Group, LLC, Counsel for Phillips 66 Pipeline LLC and Pioneer Pipeline Company

Greg Asay, Associated Legal Group, LLC, Counsel for Phillips 66 Pipeline LLC and Pioneer Pipeline Company

Van Williams, Phillips 66 Pipeline (by telephone)

Alan Fairwell, Director of Tariffs, Phillips 66 Pipeline (by telephone)

John Sundahl, Sundahl Powers Kapp and Martin, Counsel for Sinclair Oil Corporation

Jane France, Sundahl Powers Kapp and Martin Counsel for Sinclair Oil Corporation

Daniel E. Solander, Senior Corporate Counsel, Rocky Mountain Power (RMP) (by telephone)

Frank Tomasini, Engineer, RMP (by telephone)

Commission Staff (CS): Steve Mink, Pam Temte, Lori Brand, John Burbridge, James Branscomb, Michelle Bohanan, Kara Seveland, Luy Luong, Perry McCollom, Morgan Fish, Melisa Mizel, John Burbridge, Katie Koski and Jess Bottom, Kara Seveland and Perry McCollom.

CONSENT AGENDA

1. **Undocketed. Minutes for Review for the Open Meetings on December 28, 2017, as prepared by Sylvia Sanchez.**
2. **Docket Nos. 70000-1652-TK-18 and 70200-19-TK-18 (Record No. 14929). CenturyLink QC f/k/a Quest Corporation for authority to amend its Interconnection Agreement with Matrix Telecom, LLC. Commission to consider and act on Agreement.** Pam Temte, CS, provided a technical *Memo* dated March 6, 2018.
3. **Docket No. 20000-520-EA-17 (Record No. 14781). Amended Application of Rocky Mountain Power (RMP) for Certificates of Public Convenience and Necessity and**

Nontraditional Ratemaking for Wind and Transmission Facilities. Commission to consider and act on *The Overland Trail Cattle Company LLC's Petition for Leave to Withdraw as Intervenor (Petition)*.

4. **Docket No. 20000-520-EA-17 (Record No. 14781). Amended Application of Rocky Mountain Power (RMP) for Certificates of Public Convenience and Necessity and Nontraditional Ratemaking for Wind and Transmission Facilities. Commission to consider and act on *Rock Creek Wind, LLC's Petition for Leave to Withdraw as Intervenor (Petition)*.**

Chairman Russell introduced the undocketed consent item. Deputy Chair Fornstrom moved to approve the minutes as prepared. Commissioner Cooley seconded the motion and Chairman Russell concurred. Chairman Russell introduced the docketed consent items. For Item #2, Steve Mink, Commission Counsel, recommended approval of the Agreement and for Item #s 3 and 4, he recommended granting the *Petitions*, all by *Order* only, effective immediately. Deputy Chair Fornstrom moved to act as recommended. Commissioner Cooley seconded the motion and Chairman Russell concurred.

REGULAR AGENDA

1. **Docket No. 12000-24-CP-18 (Record No. 14945). Application of the City of Torrington for authority to implement a Power Cost Adjustment factor of $-\$0.004931$ per kilowatt hour and to adopt an avoided cost rate of $\$0.041923$ per kilowatt hour for the period of April 1, 2018 through March 31, 2019. Commission to consider and act on Application.** James Branscomb, CS, provided a technical *Memo* dated March 23, 2018. Rebecca Payne, the City of Torrington's Consultant, explained this is the City's first annual power cost adjustment. The adjustment reflects projected changes in the wholesale power cost and the commodity balancing account over recovery, resulting in a credit. O'Kelley Pearson, the City of Torrington's Counsel, confirmed to Commissioner Cooley the Commission Staff requests detailed in the Commission Staff *Memo* will be accommodated in the next filing. There were no further questions. Steve Mink, Commission Counsel, recommended approval of the Application, to include Commission Staff requests, by *Notice* and *Order*, effective immediately. Deputy Chair Fornstrom moved to act as recommended. Commissioner Cooley seconded the motion and Chairman Russell concurred.
2. **Docket No. 80011-5-WR-17 (Record No. 14670). Amended Application of Orchard Valley Water Co. filed on December 12, 2017 for authority to increase its bimonthly minimum charge from \$25.00 to \$50.00, increase its fee for use in excess of 4000 gallons per two month period from \$1.25 to 2.00 per 1000 gallons and to implement time-limited rate riders of \$10.88 and \$9.35. Commission to consider and act on Amended Application.** Luy Luong, CS, provided a technical *Memo* dated March 23, 2018. Frank Waters, President and Chief Operator, explained Orchard Valley's request for a rate increase and rider implementation. He said the Company has a very old system and required a new pump that used all available funds. There have also been several major line breaks, which put the Company \$30,000 in debt. Mr. Waters stated this increase and rate rider will help pay off the loan obtained to pay for the new pump, fix the breaks and replace the electric control panel for which parts can no longer be obtained. He noted this is part of a five-year recovery program. Mr. Waters responded to Commissioner Cooley's

question about customer notifications of the rate changes stating that a letter has already been drafted for this purpose. There were no further questions or comments. Lori Brand, Commission Counsel, recommended approval of the Amended Application by *Order* only, effective immediately. Deputy Chair Fornstrom moved to act as recommended. Commissioner Cooley seconded the motion and Chairman Russell concurred.

3. Docket No. 50012-32-PT-17 (Record No. 14648). Application of Phillips 66 Pipeline LLC, for authority to cancel its Wyoming PSC Tariff Nos. 3.0 and 4.0.

AND

Docket No. 50008-4-PT-17 (Record No. 14743). Application of Pioneer Pipe Line Company for authority to cancel its Refined Products Pipeline Tariff WPSC No. 12.0.

Commission to consider and act on:

- a) *Sinclair Oil Corporation's Motion to Take Administrative Notice of Historical Article "The Oil Business in Wyoming" (Motion);*
- b) *Phillips 66 Pipeline LLC and Pioneer Pipeline Company Motion in Limine (Motion);*
and
- c) *Sinclair Oil Corporation's Response to Phillips 66 Pipeline LLC and Pioneer Pipeline Company Motion in Limine (Response).*

Jane France, Sinclair Oil Corporation's Counsel, explained the *Motion* and provided background on the article in question. She argued the article is directly relevant as it provides a history of the oil industry in Wyoming and is not subject to much interpretation or dispute. She said Sinclair asked Phillips to stipulate to its accuracy and authenticity so Sinclair would not have to bring the witness or a *Motion* and Phillips did not, stating it is irrelevant. Bruce Asay, Counsel for Phillips 66 Pipeline and Pioneer Pipeline, said the Companies disagree with Sinclair Oil about the definition of oil. Sinclair believes oil should be defined as petroleum. He said Sinclair is bringing in factual information not relevant to this determination and contended the Commission has all of the information it needs and gave examples in the statutes. He argued the Commission only has jurisdiction over refined oil products and requested a limited interpretation of oil. Ms. France responded to Mr. Asay's argument that it is important to determine the Legislature's intent. She asserted the Legislature found the obvious and ordinary meaning of the word included petroleum and its derivatives when enacted and this article supports that conclusion and is, therefore, relevant to that point. Mr. Asay said a party cannot ask for administrative notice and then bring a witness in to provide evidence. Commissioner Cooley asked if there is anything to prevent the Commission from taking administrative notice and interpreting the statutes. Mr. Asay responded that would be contrary to what the Supreme Court instructs, which is first to make a determination. Commissioner Cooley asked why Sinclair Oil does not believe the best evidence would come from the author of the article who is listed as a witness, and Ms. France replied that the two (author and article) are not mutually exclusive. Mr. Asay responded to Chairman Russell arguing that the Commission can make a determination based on the information it has from the statutes. There were no further questions or comments.

Deputy Chair Fornstrom moved to deny Sinclair's *Motion* as unnecessary since the author will be a witness, and moved to deny the *Motions in Limine*, stating the Commission needs to hear as much information as it can about interpretation of the term and definitions at issue. Commissioner Cooley seconded the motion and Chairman Russell concurred.

4. **Docket No. 20000-524-EC-17 (Record No. 14836). Formal Complaint Filing by David Wilson against Rocky Mountain Power (RMP). Commission to receive an update from RMP and Mr. Wilson, and take such action as the public interest may require.** David Wilson was not present at the meeting. Frank Tomasini, RMP's Engineer, provided an update stating RMP moved Mr. Wilson to a different substation, WAPA North Cody. He said readings from Mr. Wilson's residence were within range, there is good voltage and the harmonic analysis improved. Chairman Russell asked if the Company has done all it can or if are there still other options. Mr. Tomasini said RMP has done what it can do. He also said noise is the only issue left and he thought Mr. Wilson could establish a meter that is off the house on a post on the north side which could be served from a different transformer. Daniel Solander, RMP's Counsel, asked Mr. Tomasini if there could be things inside the house causing the noise and he responded yes, machines that run, such as fans, anything with a motor, air conditioning, etc. Perry McCollom, CS, noted that there have been two emails from Mr. Wilson since the last open meeting saying power quality has improved and there are less harmonics, which is evident from the charts, but he reports he still feels pressures in his head. Mr. Tomasini said Mr. Wilson has not yet seen the charts. There were no further questions or comments. Deputy Chair suggested the Commission Staff and RMP stay in contact with him and ask if he would like time on an Open Meeting in April. Chairman Russell and Commissioner Cooley agreed. No further action by the Commission was required.

Prepared by: Barbara Tomlinson

Date of Next Open Meeting: Tuesday, April 17, 2018

ACCEPTED and APPROVED by the Commission on June 14, 2018.

Chairman William F. Russell