

BEFORE THE PUBLIC SERVICE COMMISSION OF WYOMING

Minutes of Regular Open Meeting

Monday, May 7, 2007, at 1:30 p.m.

Attendees

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

Bob Beaty, Impact Telecom, LLC (by telephone)
Bud Becker, SourceGas LLC
Chris Collier, Impact Telecom, LLC (by telephone)
Roger Fransen, counsel for SourceGas LLC
Len Mize, SourceGas LLC

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

Commission Staff: Blair Bales, Don Biedermann, Jess Bottom, Mike Korber, Dave Lucero, Luy Luong, Marci Norby, Chris Petrie, David Piroutek, Barbara Taylor-Iversen

CONSENT AGENDA FOR ROUTINE ACTION ITEMS

1. **Undocketed. Open Meeting Minutes for review by the Commission for the Regular Open Meeting of December 19, 2006.** Chairman Lewis introduced the consent item and asked if there were any requests to withdraw the item for further consideration. There were no such requests, and Deputy Chairman Oxley moved to approve the minutes as submitted. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.

REGULAR AGENDA ITEMS

1. **Docket No. 30022-84-GA-06 (Record No. 10806) Joint application of Source Gas LLC, Source Gas Distribution LLC, Kinder Morgan, Inc., and KM Retail Utility Holdco, LLC, for approval of a transfer of utility assets and certificate authority from Kinder Morgan, Inc., to Source Gas Distribution LLC, and reorganization of Source Gas Distribution LLC as a wholly-owned subsidiary of Source Gas LLC. Consider and act on compliance filing of Source Gas LLC submitting customer information for Commission approval pursuant to its March 14, 2007, Order on an expedited review basis.** Len Mize, Source Gas LLC, said the materials submitted were provided to the OCA for their comments prior to submission to the Commission. These materials include postcards with magnets which will be mailed as soon as approval is received and a bill insert to all customers providing information on the company's name change. In addition, Mr. Mize said a series of advertisements are being placed in newspapers, on radio, television and on billboards over a five-week period. Bud Becker

of Source Gas LLC said the name change on the company trucks, buildings and line markers will begin on May 15. Mr. Becker added that the name change would first be reflected in bills issued on May 15. There were no further comments or questions. Dave Lucero, Commission Counsel, recommended approval of the compliance filing by Letter Order, effective immediately. Deputy Chairman Oxley moved to approve the filing as recommended. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.

2. **Docket No. 70122-1-TA-07 (Record No. 11107) Impact Telecom, LLC, application for a concurrent Certificate of Public Convenience and Necessity to provide local telecommunication services in Wyoming.** Luy Luong, Commission Advisory Staff, provided a technical memo dated May 2, 2007. Chris Collier, Regulatory Consultant for Impact Telecom, said the company is requesting permission to provide interexchange and resale of local exchange services of Qwest Corporation through an interconnection agreement. Mr. Collier said voice grade services would be provided, and he said the company donates a portion of its revenues to charitable organizations such as Volunteers of America, the Susan B. Komen Breast Cancer Foundation and other entities which can be chosen by the customer. Mr. Collier verified services would be provided statewide and not just in Qwest territories. There were no further comments or questions. Chris Petrie, Commission Chief Counsel, recommended approval of the application by Notice and Order. Deputy Chairman Oxley moved to approve as recommended. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.

A full audio transcript is available upon request.

Next Open Meeting: Tuesday, May 8, 2007, at 1:30 p.m.

Prepared by: Deborah McFerrin.

ACCEPTED and APPROVED by the Commission on the 22nd day of August 2007.

Kathleen A. "Cindy" Lewis, Chairman

BEFORE THE PUBLIC SERVICE COMMISSION OF WYOMING

Minutes of Regular Open Meeting

Tuesday, May 8, 2007, at 1:30 p.m.

Attendees

Commissioners: Deputy Chairman Steve Oxley, presiding
Commissioner Mary Byrnes

Henry F. Bailey, Counsel for Wyrulec Company
Dean Brockbank, Rocky Mountain Power
Paul Clements, PacifiCorp Energy
Alex Davison, Counsel for Startec Global Operating Company

Office of Consumer Advocate (OCA): Bryce Freeman, David McMullian

Commission Staff: Blair Bales, Dave Lucero, Luy Luong, Marci Norby,
Chris Petrie, Darrell Zlomke

CONSENT AGENDA FOR ROUTINE ACTION ITEMS

- 1. Docket Nos. 70000-1319-TK-07 and 70017-69-TK-07 (Record No. 11121) Joint application of Qwest Corporation and AT&T Communications of the Mountain States, Inc., for Commission authority to enter into a Rate Amendment to a Wireline Interconnection Agreement.** Deputy Chairman Oxley introduced the Consent Agenda item and asked if there were any requests to withdraw the item for further consideration. There were no such requests. Luy Luong, Commission Advisory Staff (CAS), recommended approval of the joint application by Order only, effective immediately. Commissioner Byrnes moved to approve the item as recommended, and Deputy Chairman Oxley seconded the motion.

REGULAR AGENDA ITEMS

- 1. Docket No. 20000-270-EK-07 (Record No. 11128) Filing by Rocky Mountain Power of a power purchase agreement between PacifiCorp and ExxonMobil for the purchase and sale of net output and request for confidential treatment. Commission to consider placing contract in the Commission's file and to act on the request for confidential treatment.** Darrell Zlomke, CAS, provided a technical memo dated May 3, 2007. Dean Brockbank of Rocky Mountain Power summarized the five-year contract for a total purchase of 107.4 MW of output. Deputy Chairman Oxley moved to grant the petition for confidential treatment, and Commissioner Byrnes seconded the motion. Paul Clements, PacifiCorp Energy, responded to questions regarding type and reliability of the power being purchased. There were no further comments or questions. Mr. Zlomke recommended acceptance and placement of the contract in the Commission's confidential

file with no ratemaking consequences. Commissioner Byrnes moved to accept the staff recommendation, and Deputy Chairman Oxley seconded the motion.

2. **Docket No. 20000-271-EK-07 (Record No. 11129) Filing by Rocky Mountain Power of a power purchase agreement between PacifiCorp and Simplot Phosphates for the purchase and sale of net output and request for confidential treatment. Commission to consider placing contract in the Commission's file and to act on the request for confidential treatment.** Darrell Zlomke, CAS, provided a technical memo dated May 3, 2007. Commissioner Byrnes moved to grant the request for confidential treatment of the contract, and Deputy Chairman Oxley seconded the motion. Paul Clements of PacifiCorp Energy said the seven-year contract is for less than 10 MW. Mr. Clements said the power is generated by the burning of sulphur to manufacture fertilizer. There were no further comments or questions. Mr. Zlomke recommended acceptance and placement of the contract in the Commission's confidential file with no ratemaking consequences. Commissioner Byrnes moved to accept the staff recommendation, and Deputy Chairman Oxley seconded the motion.
3. **Docket No. 74215-13-TA-07 (Record No. 11120) Application of Startec Global Operating Company (Startec) for authority to transfer control of Startec to Platinum Equity, LLC, and a Petition for Confidential Treatment pursuant to Section 120 of the Commission's Rules.** Luy Luong, CAS, provided a technical memo dated May 4, 2007. Alex Davison, local counsel for Startec, requested confidential treatment of three exhibits which provide financial information and the terms of agreement. Commissioner Byrnes moved to grant the request for confidential treatment, and Deputy Chairman Oxley seconded the motion. Mr. Davison said Startec is a reseller of interexchange services, focusing on international calling, with about 15 residential customers in Wyoming. Mr. Davison explained that the proposed transfer of control will be at the holding company level, will have no effect on the customers as there will be no change in the company name or services, and the tariffs will be unchanged. There were no further comments or questions. Mr. Luong recommended the application be approved by Notice and Order, effective immediately. Commissioner Byrnes moved to take action as recommended, and Deputy Chairman Oxley seconded the motion.
4. **Docket No. 10016-47-CR-06 (Record No. 10832) Application of Wyrulec Company for authority to increase its retail rates by \$631,412 per annum (5.96% overall increase) to its member consumers served in the State of Wyoming. Commission to schedule hearing dates and appropriate procedural deadlines.** David McMullian, OCA, said his office is currently in negotiations with Wyrulec Company and believes a stipulation and agreement will be completed before the scheduled hearing date. Henry F. Bailey, counsel for Wyrulec Company, agreed with Mr. McMullian and said the parties plan to meet and discuss the areas of concern. The proposed schedule is: Wyrulec Company prefiled testimony due by close of business on May 21; OCA prefiled testimony due by close of business on June 22; and hearing dates scheduled for July 2-5, 2007. Deputy Chairman Oxley asked that the prefiled testimony include a statement of the issues and background for any settlement reached to facilitate Commission review.

There were no further comments or questions. Commissioner Byrnes moved to approve the schedule as presented, and Deputy Chairman Oxley concurred.

A full audio transcript is available upon request.

Next Open Meeting: Wednesday, May 9, 2007, at 3:30 p.m.

Prepared by: Deborah McFerrin.

ACCEPTED and APPROVED by the Commission on the 22nd day of August 2007.

Kathleen A. "Cindy" Lewis, Chairman

BEFORE THE PUBLIC SERVICE COMMISSION OF WYOMING

Minutes of Regular Open Meeting

Wednesday, May 9, 2007, at 3:30 p.m.

Attendees

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

Diane Asay, for RT Communications
Mike Korber, Wyoming Universal Service Fund Manager
Dave Mosier, Rocky Mountain Power

Office of Consumer Advocate (OCA): Bryce Freeman, David McMullian,
Denise Parrish, Ivan Williams, Tom Wilson

Commission Staff: Blair Bales, Chris Petrie, Art Schmidt, Barbara
Taylor-Iversen, Darrell Zlomke

REGULAR AGENDA ITEMS

- 1. Docket No. 90072-27-XO-07 (Record No. 11122) In the matter of the funding requirement and proposed assessment factor for the July 2007 to June 2008 fiscal year of the Wyoming Universal Service Fund (WUSF). Mike Korber, WUSF Manager, will present a report and summary for the year-end 2006 calculations and the recommended assessment for the fiscal year beginning July 1, 2007.** Mr. Korber said this is the annual presentation for consideration of the assessment level and underlying calculations for the upcoming fiscal year which begins July 1, 2007. He said the OCA and the Commissioners were provided copies of the confidential report filed on April 2, 2007, pursuant to Rule 500. In summary, the statewide weighted average was calculated at \$25.82 and, applying the 130% rule, the support benchmark as of July 1, 2007, would be \$33.57. In comparison, the previous year's statewide weighted average was \$24.87, and the 130% support benchmark was \$32.33. Mr. Korber said that, based on the data supplied, there is adequate support documentation for an increase in the statewide weighted average. Mr. Korber recommended establishing the \$25.82 weighted average and the associated 130% benchmark of \$33.57 for fiscal year 2007, and he recommended a continuation of the existing WUSF assessment level of .85% for 2007. Denise Parrish, OCA, said her office has five concerns regarding the computations and Mr. Korber's recommendation: (1) whether all federal USF funds have been properly accounted for in computations for the Wyoming USF; (2) whether all appropriate lines have been included in the Wyoming USF computations; (3) whether all appropriate

prices associated with lines have been included in the calculations; (4) whether Qwest's federal USF credits have been appropriately applied in computations; and (5) the extent of the Commission's authority in this matter in light of recently-passed legislation. Ms. Parrish said the OCA is requesting the Commission set the matter for hearing before finalizing any particular level of assessment; or, if not set for hearing, the OCA requests the Commission reject the WUSF Manager's recommendations and recompute the required Wyoming assessment level based on resolution of the above issues. After some discussion, the Commission decided to require Mr. Korber to provide all information used in preparing the confidential report to the OCA for its use. To allow time for further analysis and to address the OCA's concerns, Commissioner Byrnes moved to table this item until the next Open Meeting on Friday, May 11, 2007. Deputy Chairman Oxley seconded the motion, and Chairman Lewis concurred.

2. **Docket No. 20000-272-EA-07 (Record No. 11167) Application of Rocky Mountain Power for Authority to sell six easements to US Development at 750 South and 950 South 1100 West, Clearfield, Utah. Commission to consider and act on request for authority to sell utility plant or facilities.** Darrell Zlomke, Commission Advisory Staff (CAS), provided a combined memo for Items 2, 3 and 4 dated May 7, 2007. Due to the amount of time taken with Item 1, Deputy Chairman Oxley moved to continue this item until the next Open Meeting on Friday, May 11, 2007. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.
3. **Docket No. 20000-273-EA-07 (Record No. 11168) Application of Rocky Mountain Power for authority to sell an easement to Layton City for construction of the West Hillfield Road, a detention basin and a public park. Commission to consider and act on request for authority to sell utility plant or facilities.** Darrell Zlomke, CAS, provided a combined memo for Items 2, 3 and 4 dated May 7, 2007. Due to the amount of time taken with Item 1, Deputy Chairman Oxley moved to continue this item until the next Open Meeting on Friday, May 11, 2007. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.
4. **Docket No. 20000-274-EA-07 (Record No. 11169) Application of Rocky Mountain Power for authority to sell its undivided interest in 3,850 feet of 34.5 KV distribution line to Howell Petroleum Corporation. Commission to consider and act on request for authority to sell utility plant or facilities.** Darrell Zlomke, CAS, provided a combined memo for Items 2, 3 and 4 dated May 7, 2007. Due to the amount of time taken with Item 1, Deputy Chairman Oxley moved to continue this item until the next Open Meeting on Friday, May 11, 2007. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.

A full audio transcript is available upon request.

Next Open Meeting: Friday, May 11, 2007, at 1:00 p.m.

Prepared by: Deborah McFerrin.

ACCEPTED and APPROVED by the Commission on the 22nd day of August 2007.

Kathleen A. “Cindy” Lewis, Chairman

BEFORE THE PUBLIC SERVICE COMMISSION OF WYOMING

Minutes of Regular Open Meeting

Friday, May 11, 2007, at 1:00 p.m.

Attendees

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

Justin Brown, Rocky Mountain Power
Mike Korber, Wyoming Universal Service Fund Manager
Dave Mosier, Rocky Mountain Power

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

Commission Staff: Blair Bales, Chris Petrie, Dave Piroutek, Barbara
Taylor-Iversen

REGULAR AGENDA ITEMS

- Docket No. 20000-272-EA-07 (Record No. 11167) Application of Rocky Mountain Power (RMP) for Authority to sell six easements to US Development at 750 South and 950 South 1100 West, Clearfield, Utah. Commission to consider and act on request for authority to sell utility plant or facilities.** Darrell Zlomke, Commission Advisory Staff (CAS), provided a combined technical memo for Items 1, 2 and 3 dated May 7, 2007. Dave Mosier, RMP, prefaced his presentation with a request that the Commission review its rules regarding *de minimus* transactions involving the sale of company assets to allow companies to proceed up to a certain dollar level without Commission approval. Regarding this specific transaction, Mr. Mosier said it would facilitate expansion of the Clifford Park Estates development in Clearfield, Utah, by allowing the developers to use the property for public roadways, a buffer zone and public parks. Mr. Mosier assured the Commission the sale is for easements only, does not include real property and would not impede RMP's ability to maintain or operate its transmission line on the property. He said the anticipated income of \$95,820 would be placed into an exchange account to be used for other real estate transactions and would not have any effect on the ratepayers. There were no further comments or questions. Chris Petrie, Commission Chief Counsel, recommended approval of the sale by Notice and Order, effective immediately, and recommended RMP be directed to inform the Commission of completion of the sale and its details within 30 days after closing. Mr. Petrie also recommended the transaction be included in the next general rate case filing regardless of whether or not there is any impact on rates. Deputy Chairman Oxley moved

to approve the sale as recommended. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.

2. **Docket No. 20000-273-EA-07 (Record No. 11168) Application of Rocky Mountain Power for authority to sell an easement to Layton City for construction of the West Hillfield Road, a detention basin and a public park. Commission to consider and act on request for authority to sell utility plant or facilities.** Darrell Zlomke, CAS, provided a combined technical memo for Items 1, 2 and 3 dated May 7, 2007. Dave Mosier, RMP, said this property was originally purchased for potential development of a substation, but an alternative location has been selected. Mr. Mosier said Layton City would like to purchase the property for a stormwater detention facility, a public roadway and a public park at a price of \$251,075 which would be placed into an exchange account for real estate transactions. RMP would retain ownership of the transmission corridor; the transaction would not affect the company's ability to operate or maintain its lines; and it would have no adverse impact on customers. There were no further comments or questions. Mr. Petrie recommended approval of the sale with a Notice and Order, effective immediately, with details of the sale to be provided to the Commission within 30 days of closing and, further, that the transaction be addressed in the next general rate case. Deputy Chairman Oxley moved to take action as recommended. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.
3. **Docket No. 20000-274-EA-07 (Record No. 11169) Application of Rocky Mountain Power for authority to sell its undivided interest in 3,850 feet of 34.5 KV distribution line to Howell Petroleum Corporation. Commission to consider and act on request for authority to sell utility plant or facilities.** Darrell Zlomke, CAS, provided a combined technical memo for Items 1, 2 and 3 dated May 7, 2007. Dave Mosier, RMP, said Howell Petroleum has the ability to maintain and operate the distribution line which is located entirely within its oil field and which is not used by any other customer. Mr. Mosier said this would allow removal of the facility from the rate base, thus providing a reduction in revenue responsibility to customers. He added that costs associated with disconnecting from the RMP system will be paid by Howell Petroleum under a separate agreement. Deputy Chairman Oxley requested further information on aspects of the transaction, such as who owns the land and who has safety responsibilities. Dave Piroutek, CAS, said inspections would no longer be provided by the Commission once the line becomes privately held, and Justin Brown, RMP, said information on ownership of the land would be provided. There were no further comments or questions. Chris Petrie, Commission Chief Counsel, recommended approval of the sale by Notice and Order with details of the transaction to be provided within 30 days of closing and, further, that the transaction be addressed in the next general rate case. Deputy Chairman Oxley moved to take action as recommended with the additional requirement in the Order that RMP be apprised of its ability to unilaterally disconnect a service if it knows of an unsafe condition on the customer's side of the interface. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.
4. **Docket No. 90072-27-XO-07 (Record No. 11122) In the matter of the funding requirement and proposed assessment factor for the July 2007 to June 2008 fiscal**

year of the Wyoming Universal Service Fund (WUSF). Mike Korber, WUSF Manager, will present a report and summary for the year-end 2006 calculations and the recommended assessment for the fiscal year beginning July 1, 2007. As a follow-up to the previous Open Meeting action, Blair Bales, Commission Counsel, presented a discussion of the source documents for the WUSF Manager's report and the possibility of placement of these into the docket files. In addition, Mr. Korber and Barbara Taylor-Iversen explained the databases and other programs which store the data used in the report. As a result of the discussion, Commissioner Byrnes moved to have Attachments C-F of the Manager's report placed into the docket file in electronic spreadsheet format. Deputy Chairman Oxley seconded the motion, and Chairman Lewis concurred. Mr. Korber then addressed the concerns raised by Denise Parrish, OCA, regarding the calculations used, and Ms. Bales reviewed the legal history of the procedures followed in prior contested cases. Alternate calculations were proposed by OCA staff and counsel, which were discussed by the Commission. Commissioner Byrnes then moved to approve an interim statewide weighted average of \$24.98 with a 130% benchmark of \$32.47 and approve an interim assessment rate of 1.05% effective July 1, 2007. In addition, the Order will reflect the request that Mr. Korber provide further detail on Bresnan and AT&T data used in the report calculations. Deputy Chairman Oxley seconded the motion, and Chairman Lewis concurred.

A full audio transcript is available upon request.

Next Open Meeting: Friday, May 18, 2007, at 1:30 p.m.

Prepared by: Deborah McFerrin.

ACCEPTED and APPROVED by the Commission on the 22nd day of August 2007.

Kathleen A. "Cindy" Lewis, Chairman

BEFORE THE PUBLIC SERVICE COMMISSION OF WYOMING

Minutes of Regular Open Meeting

Friday, May 18, 2007, at 1:30 p.m.

Attendees

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

Mike Easley, Powder River Energy Corporation (by telephone)
Ed Mignery, Powder River Energy Corporation (by telephone)
Thorvald Nelson, counsel for Wyoming Industrial Energy Consumers

Office of Consumer Advocate (OCA): Tom Wilson

Commission Staff: Blair Bales, David Lucero, Luy Luong, Marci Norby,
Dave Piroutek, Ginnie Schofield

CONSENT AGENDA FOR ROUTINE ACTION ITEMS

- 1. Docket No. 74623-4-TA-07 (Record No. 11166) Application of Andiamo Telecom, LLC, for a waiver of portions of Chapter V, Section 503, of the Commission's Procedural Rules and Special Regulations.**
- 2. Docket No. 30009-43-GP-06 (Record No. 10760) Application of Wyoming Gas Company for authority to pass on a wholesale gas cost decrease of \$0.15240 per ccf through its commodity balancing account. Commission to consider issuing a Special Order Authorizing One Commissioner and/or Hearing Examiner to preside at the public hearing commencing June 1, 2007.**
- 3. Docket No. 90000-96-XI-07 (Record No. 11032) The Commission's investigation on its own motion into the quality and reliability of the telecommunications service provided by telecommunications companies in and around the Lander-Riverton area, including Fort Washakie, Ethete, the Wind River Indian Reservation and surrounding areas. Commission to consider issuing a Special Order Authorizing One Commissioner and/or Hearing Examiner to preside at the public hearing commencing May 23, 2007.**
- 4. Undocketed. Open Meeting Minutes for review by the Commission for the Regular Open Meetings of February 26, March 27, April 2 and April 9, 2007.**

Chairman Lewis introduced the Consent Agenda and asked if there were any requests to remove an item for fuller consideration. There were no such requests. Blair Bales, Commission Counsel, made the following recommendations: (1) grant waiver with an Order only, effective immediately; (2) and (3) issue a Special Order for both dockets.

Deputy Chairman Oxley moved to accept staff recommendations on Items 1, 2 and 3 and to approve the Minutes as submitted. Chairman Lewis seconded the motion.

REGULAR AGENDA ITEMS

- 1. Docket No. 10014-97-CA-07 (Record No. 11149) Informational letter from Powder River Energy Corporation (PRECorp) informing the Commission of a \$4.8 million bill credit it will be receiving from its wholesale supplier, Basin Electric Cooperative, and refunding it to its customers.** Marci Norby, Commission Advisory Staff (CAS) , provided a technical memo dated May 15, 2007. Mike Easley, PRECorp, said the letter was filed as a courtesy only as a prior Commission Order issued in 2002 stated these bill credits are not part of the wholesale commodity costs and not jurisdictional. Mr. Easley said the bill credits would be returned to all customer classes with the exception of the coal-bed methane (CBM) customers. That portion of the credit will be held in a separate, interest-bearing account to cover potential losses of investment. In response to questions from the Commission, Mr. Easley said the money to be received is not in any way attributable to the electric service provided, and the bill credit process is seen as non-member income to avoid jeopardizing the co-operative's status as exempt from federal tax. Thorvald Nelson, counsel for WIEC, expressed concern with the way credits were being handled for CBM customers and asked the Commission to review its appropriateness. Mr. Nelson said WIEC's concerns were: (1) is it jurisdictional to decide if the money is returned that it can be flowed through PRECorp; (2) is it proper for PRECorp to withhold the credit from some customers and not others; and (3) having decided to withhold the credit, is it appropriate to establish a risk management fund and whether or not this fund should be regulated. Dave Lucero, Commission Counsel, acknowledged that the bill credits are non-regulated funds but said the issues of inequities in treatment of classes or of funds would be more properly addressed in a general rate case. There were no further comments or questions. Deputy Chairman Oxley moved to acknowledge receipt of the letter without such a letter being interpreted as approval. He added that the next general rate case would be the proper venue to resolve the issues discussed. Chairman Lewis seconded the motion.

- 2. Docket No. 10014-96-CA-07 (Record No. 11123) Application of Powder River Energy Corporation for a certificate of public convenience and necessity to site, design, construct, operate and maintain a new 230kV-69kV transmission substation in Southwest Campbell County, Wyoming, known as the Pumpkin Butte Substation.** Ginnie Schofield and Jess Bottom, CAS, provided a technical memo dated May 16, 2007. Ed Mignery, PRECorp, said the project is designed to provide more reliable electric service for the CBM and coal industries in the Wright, Wyoming, area. There were no further comments or questions. Ms. Schofield said public notice has already been provided with no protests or comments received. She recommended approval of the application by Order only, effective immediately, to allow construction to begin in June. Deputy Chairman Oxley moved to take action as recommended, and Chairman Lewis seconded the motion.

A full audio transcript is available upon request.

Next Open Meeting: Thursday, May 31, 2007, at 9:30 a.m.

Prepared by: Deborah McFerrin.

ACCEPTED and APPROVED by the Commission on the 22nd day of August 2007.

Kathleen A. "Cindy" Lewis, Chairman

BEFORE THE PUBLIC SERVICE COMMISSION OF WYOMING

Minutes of Regular Open Meeting

Thursday, May 31, 2007, at 9:30 a.m.

Attendees

Commissioners: Deputy Chairman Steve Oxley, presiding
Commissioner Mary Byrnes

Gary Abbate, SourceGas Distribution LLC (by telephone)
Bud Becker, SourceGas Distribution LLC
Ben Breland, SourceGas Distribution LLC
Janeen Capshaw, Wyoming Gas Company (by telephone)
Roger Fransen, Counsel for SourceGas Distribution LLC
Kent Harris, SourceGas Distribution LLC
Cameron Mathews, Wyoming Tribune-Eagle
Thomas Nicholas, Counsel for Wyoming Gas Company
John Sundahl, Counsel for Cheyenne Light, Fuel and Power Company

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

Commission Staff: Blair Bales, Don Biedermann, Jen Kemp, David Lucero, Chris Petrie, Barbara Taylor-Iversen

CONSENT AGENDA FOR ROUTINE ACTION ITEMS

- 1. Docket No. 70039-3-TA-07 (Record No. 11181) Application of Western CLEC Corporation for authority to cancel its Certificate of Public Convenience and Necessity to do business in Wyoming.**
- 2. Docket No. 70000-1321-TC-07 (Record No. 11138) Formal complaint of Lucile K. Taylor, County Clerk of Converse County, against Qwest Corporation. Consider and act on joint motion to dismiss complaint with prejudice.**

Deputy Chairman Oxley introduced the Consent Agenda items and asked if there were any requests to withdraw an item for further consideration. Dave Lucero, Commission Counsel, said the complaint of Ms. Taylor against Qwest Corporation was resolved, and Ms. Taylor agreed to the motion to dismiss the complaint. There were no further comments or questions. Barbara Taylor-Iversen, Commission Advisory Staff (CAS), recommended approval of Item 1 by Notice and Order, effective immediately, and granting of the motion in Item 2 by Order only. Commissioner Byrnes moved to take action as recommended, and Deputy Chairman Oxley seconded the motion.

REGULAR AGENDA ITEMS

1. **Docket No. 20003-90-ER-07 (Record No. 11070) Application of Cheyenne Light, Fuel and Power Company (Cheyenne Light) for an electric service general rate increase of \$8,437,064 per annum (a 10.34% overall increase in its Retail Electric Service Rates.)**

Docket No. 30005-112-GR-07 (Record No. 11071) Application of Cheyenne Light, Fuel and Power Company for a natural gas service general rate increase of \$4,553,533 per annum (a 9.0% overall increase in its Retail Natural Gas Sales and Transportation Rates.)

Commission to consider the Joint Submission of Proposed Procedural Schedule filed in both dockets by the parties. John Sundahl, attorney for Cheyenne Light, and Dave McMullian, OCA, presented the following schedule seeking a January 1, 2008, effective date for Commission decisions in both dockets: July 16 for applicant to submit supplemental testimony and exhibits; October 1 for OCA prefiled testimony and exhibits; formal hearing on October 22 and 23; November 16 for filing post-hearing briefs, if necessary. Chris Petrie, Commission Chief Counsel, said the schedule was satisfactory and provides needed time for staff evaluation. Denise Parrish, OCA, said the primary concerns for intervention include the fact that the company has not previously been a self-generator of power and that these filings reflect the first year of ownership by Black Hills Power. There were no further comments or questions. Commissioner Byrnes moved to accept the proposed schedule, contingent upon review by the Chairman, and Deputy Chairman Oxley seconded the motion. Mr. Sundahl then proposed waiving the rules of civil procedure regarding discovery response times and to establish a cut-off of 10 days prior to the hearing for discovery requests. Commissioner Byrnes moved to set a date of October 12 for cut-off of discovery requests, and Deputy Chairman Oxley seconded that motion.

2. **Docket No. 30022-94-GP-07 (Record No. 11152) Application of SourceGas Distribution LLC (Torrington Division) for authority to pass on a Transportation Rate Adjustment increase of \$0.59987 per Dth.** Darrell Zlomke, CAS, provided a technical memo dated May 17, 2007. Gary Abbate, SourceGas Distribution, said the application is for a routine annual adjustment which would apply to all customers in the division. Ben Breland of SourceGas confirmed this adjustment is part of the base rate regardless of the customer's choice of supplier and is applied consistent with the Choice Gas year. There were no further comments or questions. Mr. Zlomke recommended approval of the application by Notice and Order, effective for usage on and after June 1, 2007. Commissioner Byrnes moved to take action as recommended, and Deputy Chairman Oxley seconded the motion.

3. **Docket No. 30022-95-GP-07 (Record No. 11192) SourceGas Distribution LLC request for a Pass-On Rate [Regulated Rate] cost adjustment applicable to the Casper Division customers who chose or defaulted to this option during the sign-up period for the current Choice Gas Service Program year. Consider a petition for confidential treatment and a net increase of \$0.9990 per Dth to be proposed effective**

June 1, 2007. Luy Luong, CAS, provided a technical memo dated May 25, 2007. Gary Abbate, SourceGas Distribution, said this is a regular quarterly pass-on cost adjustment composed of three components—a commodity rate increase, an increase in the surcharge, and a decrease in the working gas storage adjustment. Mr. Abbate said that, although the net result is an increase, the annualized average bill for March is still a decrease from last year's rates. He also requested confidential treatment of Exhibit E to the application as it contains details of gas price contracts and their terms. There were no further comments or questions. Mr. Luong recommended granting the petition for confidential treatment and approval of the application with a Notice and Order, effective for usage on and after June 1, 2007. Commissioner Byrnes moved to approve the application and petition as recommended, and Deputy Chairman Oxley seconded the motion.

4. **Docket No. 30022-96-GP-07 (Record No. 11193) Application of SourceGas Distribution LLC (Gillette Division) for authority to pass on through its commodity balancing account a decrease of \$0.2770 per Dth to its Pass-on Rate [Regulated Rate] customers and petition for confidential treatment of Exhibit E of the application pursuant to Commission Rule §120.** Art Schmidt, CAS, provided a technical memo dated May 25, 2007. Mr. Abbate said the application is for a regular quarterly pass-on adjustment which is a net decrease based on an increase in commodity rate and an adjustment to the surcharge rate. Compared to last year, the annualized average customer bill will be reduced by approximately \$25.00. Mr. Abbate said confidential treatment of Exhibit E is being requested as it contains costs and terms of gas price contracts. There were no further comments or questions. Darrell Zlomke, CAS, recommended approval of the petition for confidential treatment and of the application on a Notice and Order basis, effective for usage on and after June 1, 2007. Commissioner Byrnes moved to approve the application and petition as recommended, and Deputy Chairman Oxley seconded the motion.
5. **Docket No. 30022-97-GP-07 (Record No. 11194) Application of SourceGas Distribution LLC for authority to pass-on an increase in rates of \$1.7077 per Dth through its commodity balancing account for its Torrington Division Pass-on Rate [Regulated Rate] customers and petition for confidential treatment of Exhibit E of the application pursuant to Commission Rule §120.** Marci Norby, CAS, provided a technical memo dated May 29, 2007. Gary Abbate, Source Gas, said the request is for a regular quarterly adjustment with a requested effective date of June 1 and for confidential treatment of Exhibit E. Mr. Abbate said the rate increase is based on increases in all three components—commodity, surcharge and working gas storage adjustment. He said with the increase, however, rates are still lower than those in effect at this time last year. There were no further comments or questions. Ms. Norby recommended approval of the request for confidential treatment and approval of the pass-on application by Notice and Order, effective for usage on and after June 1, 2007. Commissioner Byrnes moved to approve the application and petition for confidential treatment as recommended, and Deputy Chairman Oxley seconded the motion.
6. **Docket No. 30009-41-GP-05 (Record No. 10113) Application of Wyoming Gas Company for authority to pass on a wholesale gas cost increase of \$0.62070 per ccf**

through its commodity balancing account. Commission to consider amended Budget Billing brochure and Attachment 3, Natural Gas Procurement Plan. Luy Luong, CAS, provided a technical memo dated May 29, 2007. Thomas Nicholas, counsel for Wyoming Gas, said changes to the budget billing brochure and the additions to the gas procurement plan have been made based on staff recommendations. Janeen Capshaw of Wyoming Gas said the company believes all concerns have been addressed. Luy Luong said staff has reviewed the brochure and has no further concerns. There were no further comments or questions. Mr. Luong recommended issuance of an Order accepting the compliance filing and closure of the docket. Commissioner Byrnes thanked the company for working with Commission staff on these items and moved to issue an Order accepting the compliance filing, effective immediately. Deputy Chairman Oxley seconded the motion.

- 7. Undocketed. Source Gas representatives will make an informational presentation regarding potential gas storage project(s) at Oil Springs. (Related to Docket No. 30022-84-GA-06.)** This presentation was for informational purposes only. No Commission action was requested or taken.

A full audio transcript is available upon request.

Next Open Meeting: Tuesday, June 5, 2007, at 9:00 a.m.

Prepared by: Deborah McFerrin.

ACCEPTED and APPROVED by the Commission on the 22nd day of August 2007.

Kathleen A. "Cindy" Lewis, Chairman