

# BEFORE THE PUBLIC SERVICE COMMISSION OF WYOMING

Minutes of Regular Open Meeting

**Tuesday, May 6, 2008**

**1:30 p.m.**

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

Jake Albrandt, customer of SourceGas Distribution, LLC (by telephone)  
Victor Albrandt, customer of SourceGas Distribution, LLC (by telephone)  
Gary Collins, Northern Arapaho Tribal Liaison, Wyoming Governor's  
Office

Paul Downey, customer of SourceGas Distribution, LLC (by telephone)  
Verlyn Engler, SourceGas Distribution, LLC

Joe Furay, SourceGas Distribution, LLC (by telephone)

Kenna Hagen, Black Hills Power (by telephone)

Jarrad Hammer, SourceGas Distribution, LLC

Paul Hickey, counsel for SourceGas Distribution, LLC

Don Martinez, Black Hills Power (by telephone)

Bill Meckling, SourceGas Distribution LLC

Dale Neal, customer of SourceGas Distribution, LLC (by telephone)

Kelley Pearson, counsel for SourceGas Distribution, LLC

Larry Shuttlesworth, customer of SourceGas Distribution, LLC (by  
telephone)

Ed Wadda, Eastern Shoshone Tribal Liaison, Wyoming Governor's Office

Commission Staff: Don Biedermann, Victoria Hansen, Steve Mink, Dave  
Walker

## CONSENT AGENDA ITEMS

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- 1. Docket No. 70048-10-TA-08 (Record No. 11692) Amended petition of DSLnet Communications, LLC, for confidential treatment of portions of its 2007 annual report. Commission to consider and act on the company's petition.**
- 2. Undocketed. Open Meeting Minutes for review by the Commission for the Regular Open Meetings of February 13 and 22, 2008.**

Chairman Lewis introduced the consent agenda items and asked if there were any requests to remove an item for further consideration. There were no such requests nor any comments or questions. Steve Mink, Commission Counsel, recommended approval of Item 1 by Letter Order, effective immediately, to be signed by counsel. Deputy Chairman Oxley moved to approve the petition as recommended, and Commissioner Byrnes seconded the motion. Chairman Lewis concurred. Chairman Lewis offered a correction to the minutes of February 13. Deputy Chairman Oxley then moved to accept the corrected

minutes of February 13 and the minutes of February 22 as submitted. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.

## **REGULAR AGENDA ITEMS**

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- 1. Docket No. 20002-71-ET-08 (Record No. 11715) Application of Black Hills Power (BHP) for authority to modify its tariffs affected by the trial change in Daylight Savings Time. Commission to consider and act on application.** Don Biedermann, Commission Advisory Staff (CAS), provided a technical memo dated April 30, 2008. Don Martinez of BHP said the request is to modify the residential demand tariff of approximately 86 customers affected by the trial change of Daylight Savings Time. Responding to Commission questions, Mr. Martinez said this change would be in lieu of reprogramming the actual meters, and the customers are aware of the change which would not have any financial impact on them. He said reprogramming the meters would cost approximately \$10,000 for each time change adjustment, and this cost would be absorbed by all customers. There were no further comments or questions. Mr. Biedermann recommended approval of the tariff by Notice and Order, effective immediately. Commissioner Byrnes moved to approve the application as recommended with the addition of requiring a report to the Commission after one year on the effect of the tariff change. Deputy Chairman Oxley seconded the motion, and Chairman Lewis concurred.
  
- 2. Docket No. 30022-106-GT-07 (Record No. 11550) Application of SourceGas Distribution, LLC, (SourceGas) for authority to adjust its regular incentives for new service lines and main extensions and to provide customers the option of receiving an extra incentive for new service lines and main extensions. Commission to consider and act on the application.** Don Biedermann, CAS, provided a technical memo dated March 11, 2008. Paul Hickey, counsel for SourceGas, provided a handout and explained how the proposed incentives would work and the benefits to potential customers. SourceGas representatives then responded to questions from the Commission and from the Shoshone and Northern Arapahoe Tribal Liaisons. As a result of the discussion, Deputy Chairman Oxley moved to approve the application, effective immediately, contingent upon receiving confirming tariffs with modifications allowing (1) an early pay-off at any time; (2) a flexible payment structure which can be selected by potential customers consisting of \$20, \$30, \$40 or \$50 per month payments with the limitation that no payment plan run beyond 15 years; (3) the choice of flexible payment dollar amounts to determine the number of payments due; (4) the collection of income tax on the extra allowance amount as long as there is no impact on any future rate case; (5) that if an item is depreciated, it will stay separate from rate base throughout the entire process; (6) a separate line item for these amounts will appear on customer bills. He added that the company should work closely with the tribes in their outreach to inform people of the program, and Chairman Lewis requested the addition of a requirement for an update on these tariffs at the next open meeting along with an explanation of customer procedures. Commissioner Byrnes seconded the motion with a reminder that SourceGas is still required to provide progress reports every six months as set out in the last rate case. Chairman Lewis concurred with the motion to approve the application and review the changes requested at the next open meeting.

3. **Docket No. 30022-111-GA-08 (Record No. 11662). Application of SourceGas Distribution, LLC, (SourceGas) for authority to abandon natural gas service to eight customers and eleven premises in the Shoshoni area in Fremont County, Wyoming. Commission to consider and act on:**
- a. **Petition for Leave to Intervene filed by Dale Neal;**
  - b. **Petition for Leave to Intervene filed by Marcia Bean, Stanley Bean, Victor Albrandt, Gary Albrandt, Karen Albrandt, Jake Albrandt, Larry Shuttlesworth, Sharon Shuttlesworth, Ester Downey, Paul Downey, Ralph Cardinal, Cory Clemetson, Wayne Wilson, and Sue Willson;**
  - c. **Petition for Leave to Intervene filed by EnCana Oil & Gas (USA) Inc. (Encana); and**
  - d. **Whether to arrange for expedited transcripts and whether SourceGas will be required to bear the associated costs.**

Chris Petrie, Commission Chief Counsel, said staff saw no reason to deny the petitions in Items 3.a. and 3.b, and Paul Hickey, counsel for SourceGas, confirmed the company had no objection to them. There were no further comments or questions on these items. Deputy Chairman Oxley moved to grant the petitions to intervene of Dale Neal and of Marcia Bean, *et al.* Commissioner Byrnes seconded the motion, and Chairman Lewis concurred. There were no representatives of EnCana present for comment, but there were no objections voiced to that company's petition to intervene. Deputy Chairman Oxley moved to grant the Encana petition. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred. Mr. Petrie said the arrangement of expedited transcripts may not be necessary as SourceGas has provided new filings which may remove the need for any hearing. Mr. Hickey then explained that SourceGas has filed a motion to withdraw its application to abandon service and that copies were being mailed to all affected parties. Deputy Chairman Oxley moved to table Item 3.d until the open meeting scheduled for May 8, 2008, to allow the parties to review the motion of SourceGas to withdraw its application. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.

A full audio transcript is available upon request.

Next Open Meeting: Wednesday, May 7, 2008, at 9:00 a.m..

Prepared by: Deborah McFerrin

ACCEPTED and APPROVED by the Commission on the 25<sup>th</sup> day of August 2008.

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Kathleen A. "Cindy" Lewis, Chairman

# BEFORE THE PUBLIC SERVICE COMMISSION OF WYOMING

Minutes of Regular Open Meeting

Wednesday, May 7, 2008

9:00 a.m.

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

Blair Bales, counsel for Wyoming Universal Service Fund  
Roger Fransen, counsel for Qwest Corporation  
Don Jackson, TCT West/Tri County Telephone  
Lynn Norsworthy, Qwest Corporation  
Ann Prockish, Embarq (by telephone)  
Jim Roberts, Embarq (by telephone)  
John Sundahl, counsel for Embarq

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

Commission Staff: Victoria Hansen, Dave Lucero, Chris Petrie, Art  
Schmidt, Barbara Taylor-Iversen, Tom Wilson

## CONSENT AGENDA ITEMS

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- 1. Docket No. 90072-28-XO-08 (Record No. 11690) The funding requirement and proposed assessment factor for the July 2007-June 2008 fiscal year of the Wyoming Universal Service Fund. Commission to consider granting Qwest Corporation's Petition to Intervene.**
- 2. Docket No. 90072-28-XO-08 (Record No. 11690) The funding requirement and proposed assessment factor for the July 2007-June 2008 fiscal year of the Wyoming Universal Service Fund. Commission to consider granting the Petition to Intervene of United Telephone Company of the West, d/b/a Embarq.**

David Lucero, Commission Counsel, acting as Hearing Examiner, introduced the consent agenda items and asked if there were any requests to withdraw an item for further consideration. Deputy Chairman Oxley commented that Qwest Corporation's allegation of interest as a matter of practice is not a very substantial reason for intervention. There were no further questions or comments on Item 1. Blair Bales, Commission Counsel, recommended granting Qwest Corporation's petition with a note that the company will not have access to information or to exhibits prepared by Commission or OCA staff except those pertaining to Qwest Corporation. Chairman Lewis moved to grant the petition as recommended. Commissioner Byrnes seconded the motion, and Deputy Chairman Oxley concurred.

John Sundahl, counsel for Embarq, provided an explanation of the late filing of the petition in Item 2 and said Embarq's desire is simply to monitor the proceedings. There were no further comments or questions. Ms. Bales recommended the petition not be granted as it was filed out of time, and she added that, if the Commission grants the petition, it be under the same terms as the previous item. Chairman Lewis confirmed Embarq's right to make comments in any proceeding with or without granting the petition to intervene. Deputy Chairman Oxley then moved to grant the petition as there is very little difference between making comments and becoming a party to such a proceeding. Chairman Lewis seconded the motion, and Commissioner Byrnes concurred.

The Commission then proceeded with the hearing in this matter which was reported by Wyoming Reporting Service.

A full audio transcript is available upon request.

Next Open Meeting: Thursday, May 8, 2008, at 9:00 a.m..

Prepared by: Deborah McFerrin

ACCEPTED and APPROVED by the Commission on the \_\_\_\_\_ day of August 2008.

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Kathleen A. "Cindy" Lewis, Chairman

# BEFORE THE PUBLIC SERVICE COMMISSION OF WYOMING

Minutes of Regular Open Meeting

Thursday, May 8, 2008

9:00 a.m.

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

Jake Albrandt, customer of SourceGas Distribution (by telephone)  
Jerry Albrandt, customer of SourceGas Distribution (by telephone)  
Victor Albrandt, customer of SourceGas Distribution (by telephone)  
Barbara Brohl, Qwest Corporation counsel (by telephone)  
Thomas Dixon, counsel for MCIMetro Access Transmission Services,  
LLC (by telephone)  
Paul Downey, customer of SourceGas Distribution (by telephone)  
Verlyn Engler, SourceGas Distribution  
Joseph Furay, SourceGas Distribution counsel  
Bill Meckling, SourceGas Distribution  
Dale Neal, customer of SourceGas Distribution (by telephone)  
Kelley Pearson, counsel for SourceGas Distribution  
Larry Shuttlesworth, customer of SourceGas Distribution (by telephone)  
Sharon Shuttlesworth, customer of SourceGas Distribution (by telephone)  
Sue Wilson, customer of SourceGas Distribution (by telephone)  
Wayne Wilson, customer of SourceGas Distribution (by telephone)

Office of Consumer Advocate (OCA): David McMullian

Commission Staff: Victoria Hansen, Chris Petrie, David Walker

## CONSENT AGENDA ITEMS

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1. **Undocketed. Open Meeting Minutes for review by the Commission for the Regular Open Meeting of August 22, 2006.** Chairman Lewis introduced the consent agenda item. Deputy Chairman Oxley moved to approve the minutes as submitted. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.

## REGULAR AGENDA ITEMS

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1. **Docket No. 70027-80-TC-08 (Record No. 11650) Complaint filing by Donald White of Douglas, Wyoming, against MCIMetro Access Transmission Services, LLC, (MCI) requesting a hearing regarding disconnection and switching of telephone service. Commission to consider and act on MCI's Motion to Allow Taking of Testimony by Telephone and Notice of Conference Bridge Number, Motion of**

**Issuance of Subpoena to Appear to Testify and Produce, and Motion for Protective Order.** Thomas Dixon, counsel for MCI, explained the reasons for the requests, saying the subpoena would be for records of Qwest Corporation which may show authorization for switching Mr. White's service. Barbara Brohl of Qwest Corporation said her company had no objections to the subpoena request or to the other motions being considered. Vicky Hansen, Commission Counsel, verified Mr. White was aware of this open meeting and chose not to participate. There were no further comments or questions. Ms. Hansen recommended approval by Letter Order signed by counsel of the motion to allow taking testimony by telephone and to extend protection under Commission Rule 120 for the data subpoenaed from Qwest Corporation. Deputy Chairman Oxley moved to deny the motion for a protective order without prejudice to any further protective order that may later be necessary; to direct Commission Counsel to issue a Letter Order granting the motion for issuance of a subpoena and protection under Section 120 of the material discovered; to grant the motion to allow taking of testimony by telephone via a conference bridge; and to include in the Letter Order an indication of Qwest Corporation's willingness to accept service of the subpoena. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred. After further discussion, Chairman Lewis moved to accept a stipulation from all parties stating they have each reviewed the documents received from Quest Corporation in the event it is determined the documents should not be entered into evidence. Commissioner Byrnes seconded the motion, and Deputy Chairman Oxley concurred.

2. **Docket No. 30022-111-GA-08 (Record No. 11662) Application of SourceGas Distribution, LLC, (SourceGas) for authority to abandon natural gas service to eight customers and eleven premises in the Shoshoni area in Fremont County, Wyoming. Commission to consider and act on SourceGas' Motion to Vacate Procedural Order and Motion to Withdraw Abandonment Application.** Kelley Pearson, counsel for SourceGas, said the request to withdraw the company's application is the result of an agreement reached with Encana by which the companies will build a new pipeline and provide gas to continue natural gas service to these customers. Ms. Pearson thanked the Commission for its role in bringing the parties together to reach a resolution. She said SourceGas intends to have the new pipe in place by the time the existing agreement with Encana expires on August 31, 2008, but Encana has agreed, if necessary, to continue providing gas until completion of the new pipeline. Comments from the customers were taken, and no objections to the plan were voiced. There were no further comments or questions. Chris Petrie, Commission Chief Counsel, recommended granting the motion to withdraw by Order only with the Order to reflect the representations made by SourceGas and further to grant the motion to vacate the procedural order. Deputy Chairman Oxley moved to take action as recommended and also directed staff to act as necessary to retract any notices to the public regarding the hearing schedule. He also requested all normal reporting requirements be included in the Order, and that the customers receive copies of the Order and all agreements between the parties. Commissioner Byrnes requested tracking of costs be included in the Order and seconded the motion; Chairman Lewis concurred.

**3:30 p.m. – 7:00 p.m.**  
**Casper City Council Chambers at 200 North David in Casper, Wyoming**

**REGULAR AGENDA ITEMS**

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- 1. Docket No. 30022-107-GI-08 (Record No. 11610) Investigation, upon the Commission's own motion, of the billing practices and procedures of SourceGas Distribution LLC, and the impact on its customers. Commission to receive an update from SourceGas representatives about problems related to the Company's billing system and associated issues.** This agenda item was reported by Wyoming Reporting Service, and a transcript may be obtained from that office.

A full audio transcript is available upon request.

Next Open Meeting: Wednesday, May 14, 2008, at 3:00 p.m..

Prepared by: Deborah McFerrin

ACCEPTED and APPROVED by the Commission on the 25<sup>th</sup> day of August 2008.

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Kathleen A. "Cindy" Lewis, Chairman

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

**Wednesday, May 14, 2008**  
**3:00 p.m.**

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

Thomas Dixon, counsel for MCIMetro Access Transmission Services,  
LLC (by telephone)

Verlyn Engler, SourceGas Distribution, LLC

Paul Hickey, counsel for SourceGas Distribution, LLC

Jerrad Hammer, SourceGas Distribution, LLC

Jody Levin, Qwest Corporation

Bill Meckling, SourceGas Distribution, LLC

Dave Mosier, Rocky Mountain Power

Richard Schneebeck, counsel for Accenture

Daniel Solander, Rocky Mountain Power (by telephone)

Mark Tallman, Rocky Mountain Power

Brad Van Dyke, SourceGas Distribution, LLC (by telephone)

Edward Wadda, Governor's Office, Eastern Shoshone Tribal Liaison

Helen Wells, SourceGas Distribution, LLC (by telephone)

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

Commission Staff: Blair Bales, Meridith Bell, Don Biedermann, Jess  
Bottom, Vicky Hansen, Marchia Johansen, Dave Lucero, Luy Luong,  
Steve Mink, Marci Norby, Chris Petrie, David Walker

**CONSENT AGENDA ITEMS**

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1. **Docket Nos. 70000-1372-TK-08 and 70096-17-TK-08 (Record No. 11694) Contract filing of Qwest Corporation authority to enter into a Triennial Review Order and Triennial Review Remand Order Agreement with Advanced Communications Technology, Inc.**
2. **Docket Nos. 70000-1373-TK-08 and 70096-18-TK-08 (Record No. 11695) Contract filing of Qwest Corporation for authority to enter into an amendment to a Commercial Dark Fiber Services Agreement with Advanced Communications Technology, Inc. Commission to consider and act on final approval of interconnection agreement.**
3. **Docket No. 30022-111-GA-08 (Record No. 11662) Application of SourceGas Distribution, LLC, for authority to abandon natural gas service to eight customers and eleven premises in the Shoshoni area in Fremont County, Wyoming.**

**Commission to consider and act on SourceGas Distribution, LLC's, Petition for Confidential Treatment of Appendix 1, 2, 10, and 11 to the Application.**

Chairman Lewis introduced the consent agenda items and asked if there were any requests to withdraw an item for further consideration. There were no such requests nor any further comments or questions. Luy Luong, Commission Advisory Staff (CAS), recommended approval of Items 1 and 2 by Order only, effective immediately, and granting of the petition in Item 3 by Order only, effective immediately. Commissioner Byrnes moved to act as recommended, and Chairman Lewis concurred.

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**REGULAR AGENDA ITEMS**

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1. **Docket No. 70000-1271-TI-06 (Record No. 10749) The formal investigation by the Commission on its own motion of the August 1, 2006, 911 emergency telecommunications service outage experienced in many parts of Wyoming, involving the 911 and other services of Qwest Corporation (Qwest) and other telecommunications companies. Commission to consider and act on Qwest's Request for Extension of June 1, 2008, Filing of Task Force Written Notification Plan and Report.** Jody Levin of Qwest said the an extension until October 1 is being requested as it took some time to develop the members of the task force. She said meetings are now taking place and the additional time would allow a proper response to the Commission. Ms. Levin provided information on who is participating and said Qwest could provide updates after each meeting if the Commission so desires. There were no further comments or questions. Blair Bales, Commission Counsel, recommended granting the extension to October 1, 2008, by Order only, effective immediately, with a requirement that a written report on task force activities be presented on August 1, 2008. Commissioner Byrnes moved to take action as recommended, and Chairman Lewis seconded the motion.
2. **Docket No. 20000-319-EA-08 (Record No. 11641) Application of Rocky Mountain Power (RMP) for a certificate of public convenience and necessity for construction of the new 39 MW Glenrock III Wind Project. Mr. Mark Tallman, Vice-President of Renewable Resource Division, and Mr. Dave Mosier to appear on behalf of Rocky Mountain Power. Commission to consider and act on the application and Petition for Confidential Treatment.** Jess Bottom, CAS, provided a technical memo dated May 7, 2008. Mark Tallman of RMP said the application is for 26 wind turbines at the Glenrock site in addition to the 7-Mile Hill project currently under construction. Dave Mosier of RMP said the project will not be complete until the end of 2008, and the costs will be included in the next rate case. There were no further comments or questions. Mr. Bottom recommended approval of the request for confidential treatment and of the application by Letter Order, effective immediately. He said public notice has already been provided, and no comments or protests have been filed. Commissioner Byrnes moved to approve the application as recommended with the Letter Order to request submittal of construction plans and project costs. Chairman Lewis seconded the motion.
3. **Docket No. 70027-80-TC-08 (Record No. 11650) Complaint filing by Donald White of Douglas, Wyoming, against MCIMetro Access Transmission Services, LLC, (MCI) requesting a hearing regarding disconnection and switching of telephone**

**service. Commission to consider and act on MCI's Motion for Waiver of Section 111(a)(iv) of Rules of Practice and Procedure and Motion to Be Admitted *Pro Hac Vice*. Commission to also consider and act on Special Order Appointing One Commissioner and/or Hearing Examiner to Conduct Public Hearing.** Thomas Dixon, appearing for MCI, explained that he is an employee of Verizon Corporate Services Group (Verizon), and that MCI is an affiliate company rather than a subsidiary of Verizon. Consequently, he is unsure of his status as an employee and has requested admission *pro hac vice* as a precautionary measure. After some discussion, Vicky Hansen, Commission Counsel, recommended the motion for a waiver be denied without prejudice and requested that Mr. Dixon refile the motion for admission after obtaining the required certificate from the Wyoming State Bar. Commissioner Byrnes moved to take action as recommended by Order only, without prejudice and effective immediately. Chairman Lewis seconded the motion. No action was taken on the request for a Special Order Appointing One Commissioner and/or Hearing Examiner.

4. **Docket No. 30022-106-GT-07 (Record 11550) Application of SourceGas Distribution, LLC, (SourceGas) for authority to adjust its regular incentives for new service lines and main extension and to provide customers the option of receiving an extra incentive for new service lines and main extensions. Commission to receive supplemental information and consider and act on revised proposed tariffs addressing prepayment, additional payment terms, rate and tax treatment of service line and main extension incentive related revenue, and customer relations procedures.** Helen Wells and Brad Van Dyke of SourceGas explained the revisions made to the application and responded to Commission questions about the proposed tariffs. The Commissioners expressed a desire to see a bill sample showing a typical monthly payment, a sample showing how a lump-sum payment is handled, and a sample copy of the customer agreement. There were no further comments or questions. Chris Petrie, Commission Chief Counsel, confirmed that, since this item was previously approved contingent upon receipt of tariffs, no further action was required at this time. Chairman Lewis moved to continue the matter until receipt of the items discussed, and Commissioner Byrnes seconded the motion.
5. **Docket No. 30022-107-GI-08 (Record No. 11610) Investigation, upon the Commission's own motion, of the billing practices and procedures of SourceGas Distribution LLC, and the impact on its customers. Commission to receive an update from SourceGas representatives about problems related to the Company's billing system and associated issues.** Representatives of SourceGas provided updates for ongoing complaints and responded to questions regarding new complaint issues. After discussion, Chairman Lewis listed the items for which further responses are required: (1) number of customers with billing issues; (2) updates on the continuing complaints under discussion; (3) status of a dedicated representative in Casper; (4) copy of letter to group bill customers and date sent; (5) updates on complaints brought forward at public comment meeting in Casper; and (6) audio recordings of calls to Accenture of the complainants at the public comment meeting. These items were requested for review at the next open meeting on Thursday, May 22, 2008.

A full audio transcript is available upon request.

Next Open Meeting: Thursday, May 22, 2008, at 1:30 p.m..

Prepared by: Deborah McFerrin

ACCEPTED and APPROVED by the Commission on the 25<sup>th</sup> day of August 2008.

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Kathleen A. "Cindy" Lewis, Chairman

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

**Thursday, May 22, 2008**  
**1:30 p.m.**

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

Kirsten Benefiel, Accenture  
Scott Borders, SourceGas Distribution, LLC  
Rich Cathcart, Administrator, Construction Management Division,  
Wyoming Department of A&I  
Dale Cottam, counsel for Accenture  
Paul Hickey, counsel for SourceGas Distribution, LLC  
Megan Holbrook, Hickey and Evans  
Michael McDaniel, Accenture  
Whitney Marquardt, Hirst and Applegate  
Rich Mitzelfelt, SourceGas Distribution, LLC  
Kelley Pearson, counsel for SourceGas Distribution, LLC  
Richard Schneebeck, counsel for Accenture  
Helen Wells, SourceGas Distribution, LLC  
Doug Wilson, SourceGas Distribution, LLC

Office of Consumer Advocate (OCA): Bryce Freeman

Commission Staff: Blair Bales, Vicky Hansen, Mary Kiser, Dave Lucero,  
Shirley McCown, Steve Mink, Chris Petrie, David Walker, Darrell  
Zlomke

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**CONSENT AGENDA ITEMS**

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1. **Docket No. 70000-1375-TK-08 (Record No. 11707) Contract filing of Qwest Corporation for authority to enter into an unbundled network elements, ancillary service and resale of telecommunications services interconnection agreement with Access Point, Inc.**
2. **Docket No. 70027-80-TC-08 (Record No. 11650) Complaint filing by Donald White of Douglas, Wyoming, against MCI requesting a hearing regarding disconnection and switching of service. Commission to consider and act on Mr. White's request to withdraw request for formal hearing.**
3. **Docket No. 20000-315-EP-08 (Record No. 11618) Application of Rocky Mountain Power for a PCAM deferred net power cost adjustment for the time period December 1, 2006, through November 30, 2007, in the amount of \$31.0 million. Commission to consider and act on Rocky Mountain Power's Amended Motion for Approval of Procedural Schedule.**

4. **Docket No. 30016-51-GP-08 (Record No. 11654) Application of Pinedale Natural Gas, Inc., for authority to pass on a wholesale gas increase of \$5.24 per decatherm through its commodity balancing account. Commission to consider the issuance of an Order *Nunc Pro Tunc*.**
5. **Docket No. 10014-82-CR-05 (Record No. 10106) Application of Powder River Energy Corporation for authority to decrease rates by \$38,758 or 0.04%, amend rules, and implement new tariffs. Commission to consider and act on issuing a Final Memorandum Opinion, Findings and Order *Nunc Pro Tunc* in this docket.**

Chairman Lewis introduced the consent agenda and asked if there were any requests to withdraw an item for further consideration. There were no such requests nor any further comments or questions. Steve Mink, Commission Counsel made the following recommendations: Item 1, approve by Order only, effective immediately; Item 2, approve by Letter Order, effective immediately; Item 3, approve by Notice and Order, effective immediately; and Items 4 and 5, issue the Order *nunc pro tunc*. Commissioner Byrnes moved to take action as recommended, and Chairman Lewis seconded the motion.

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#### **REGULAR AGENDA ITEMS**

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1. **Undocketed. Mr. Rich Cathcart, Administrator, State of Wyoming Department of Administration and Information, Construction and Management Division (State) to present information concerning the extension of natural gas service to the Wyoming Department of Corrections correctional facility under construction in Torrington, including the expected cost and configuration of any proposed or anticipated connection to interstate facilities. SourceGas Distribution, LLC, (SourceGas) representatives to attend and provide responsive information.** Rich Cathcart appeared before the Commission to express his concerns regarding the cost estimates submitted by SourceGas for the proposed construction. In particular, he said he has been unable to obtain a detailed breakdown of the costs in the proposals submitted to the State. Representatives of SourceGas agreed the estimates were vague and agreed to have discussions with its affiliate, Kinder Morgan, and the State to address the questions raised and the possibility of lower-cost construction alternatives. Chairman Lewis asked Commission counsel to provide a letter to the parties setting out the requested items and asked for an update at the open meeting of June 13, 2008.
2. **Docket No. 30022-107-GI-08 (Record No. 11610) Investigation upon the Commission's own motion of the billing practices and procedures of SourceGas Distribution LLC, and the impact on its customers. Commission to receive an update from SourceGas representatives about problems related to the Company's billing system and associated issues.** An update on resolution of the billing issues was provided by SourceGas representatives. Paul Hickey, counsel for SourceGas, confirmed the outside audit is on schedule and will be provided to the Commission when completed. Further updates and information were requested for the next meeting on: (1) what advertising is being done on the company's website; (2) customer service calls which were not included in the requested audio recordings; (3) calls escalated to supervisors; (4)

a spreadsheet indicating how many customers have unregulated services or revolving credit charges; (5) an update on the Choice Gas selection process currently under way; (6) the scope of work for the outside audit; and (7) the amount of compensation paid to SourceGas by Accenture for failure to perform. Kirsten Benefiel, Accenture, said service level agreements are being monitored, and credits are provided on a monthly basis to SourceGas as provided for in the contract between the two companies. Commissioner Byrnes reiterated the Commission's request that SourceGas track all expenses associated with clean-up of the billing errors.

A full audio transcript is available upon request.

Next Open Meeting: Tuesday, May 27, 2008, at 8:00 a.m..

Prepared by: Deborah McFerrin

ACCEPTED and APPROVED by the Commission on the 25<sup>th</sup> day of August 2008.

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Kathleen A. "Cindy" Lewis, Chairman

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

**Tuesday, May 27, 2008**  
**8:00 a.m.**

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

Gary Abbate, SourceGas Distribution, LLC (by telephone)  
Megan Holbrook, SourceGas Distribution  
Mike McBride, Lower Valley Energy, Inc.  
Kelley Pearson, counsel for SourceGas Distribution, LLC  
Brad Samuels, Energy West Wyoming, Inc. (by telephone)

Office of Consumer Advocate (OCA): Bryce Freeman

Commission Staff: Michelle Bohanan, Vicky Hansen, Marci Norby

**REGULAR AGENDA ITEMS**

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1. **Docket No. 30022-112-GP-08 (Record No. 11732) Application of SourceGas Distribution, LLC, Torrington Division, (SourceGas) for a decrease in its Transportation Rate Adjustment rates of \$0.08189 per Dth as applicable to Wyoming jurisdictional customers. Commission to consider and act on application.** Michelle Bohanan, Commission Advisory Staff (CAS), provided a technical memo dated May 15, 2008. Gary Abbate of SourceGas said the request results from a decrease in gas costs associated with a contract between SourceGas and the operator of a gas field in Montana which affects only the Torrington Division customers. There were no further comments or questions. Ms. Bohanan recommended approval of the application by Notice and Order, effective immediately, for usage on and after June 1, 2008. Commissioner Byrnes moved to take action as recommended, and Chairman Lewis seconded the motion.
  
2. **Docket No. 30018-38-GP-08 (Record No. 11703) Application of Lower Valley Energy, Inc., for authority to pass on a net wholesale natural gas increase of \$0.4300 per therm. Commission to consider and act on the Company's application.** Michelle Bohanan and Marci Norby, CAS, provided a technical memo dated May 23, 2008. Mike McBride, Lower Valley Energy, said the requested adjustments pertain to [i] an allowance for system use and loss in the commodity balancing account and [ii] revisions in the purchase contract with Exxon. Mr. McBride responded to Commission questions regarding completion of the new natural gas pipeline and the filing of a new rate case to address potential over-earnings. There were no further comments or questions. Ms. Norby recommended approval of the application by Notice and Order, effective immediately, for usage on and after May 27, 2007, and requested the company provide an update on the pipeline construction, a report on normalized earnings, and the anticipated date of filing a general rate case. Commissioner Byrnes moved to approve the application as recommended, and Chairman Lewis seconded the motion.

3. **Docket No. 30011-33-GR-02 (Record No. 8001) Application of Energy West Wyoming, Inc. (Energy West) for authority to increase its rates by \$755,730 per annum. Commission to consider and act on Company's request for a three-month extension to file its compliance cost of service study due by June 1, 2008 pursuant to the stipulation in this matter.** Brad Samuels of Energy West said the cost of service study is more complicated and taking longer to prepare than anticipated. He said the study is being conducted by an outside consultant and will use data accumulated through March 31, 2008. Marci Norby, CAS, confirmed the need for an extension of time to allow for a thorough report as set out in the stipulation. There were no further comments or questions. Ms. Norby recommended approval of the request by Letter Order, effective immediately, to be signed by Commission counsel. Commissioner Byrnes moved to approve the request as recommended, and Chairman Lewis seconded the motion.

A full audio transcript is available upon request.

Next Open Meeting: Friday, June 13, 2008, at 8:00 a.m..

Prepared by: Deborah McFerrin

ACCEPTED and APPROVED by the Commission on the 25<sup>th</sup> day of August 2008.

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Kathleen A. "Cindy" Lewis, Chairman

# BEFORE THE PUBLIC SERVICE COMMISSION OF WYOMING

Minutes of Regular Open Meeting

Thursday, May 29, 2008

8:00 a.m.

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

Gary Abbate, SourceGas Distribution, LLC (by telephone)  
Bruce Asay, counsel for Montana-Dakota Utilities Company  
Rich Cathcart, Administrator, Construction Mgmt., State of Wyoming  
Stacie Dykema, Cheyenne Light, Fuel and Power Company  
Verlyn Engler, SourceGas Distribution, LLC  
Megan Holbrock, Hickey & Evans, counsel for SourceGas Distribution, LLC  
Brian Iverson, counsel for Cheyenne Light, Fuel and Power Company (by telephone)  
Roger Fransen, Hickey & Evans, counsel for SourceGas Distribution, LLC  
Rick Mitaelfelt, SourceGas Distribution, LLC  
Rita Mulkern, Montana-Dakota Utilities Company (by telephone)  
Kelley Pearson, Hickey & Evans, counsel for SourceGas Distribution, LLC  
John Sundahl, counsel for Cheyenne Light, Fuel and Power Company

Office of Consumer Advocate (OCA): Denise Parrish, Amy Zamora

Commission Staff: Michelle Bohanan, Jess Bottom, Dave Lucero, Steve Mink, Marci Norby, Dave Piroutek, Art Schmidt,

## REGULAR AGENDA ITEMS

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- 1. Docket No. 20003-95-EP-08 (Record No. 11728) Application of Cheyenne Light, Fuel and Power Company for authority to pass on to its sales customers an additional decrease in its wholesale electric supply costs of \$1,423,959 over its decrease effective January 1, 2008, for the period June 1, 2008, through December 31, 2008.** Michelle Bohanan and Marci Norby, Commission Advisory Staff (CAS), provided a technical memo dated May 27, 2008. Mr. John Sundahl introduced Stacy Dykema, Regulatory Accountant for Cheyenne Light, Fuel and Power Company (Cheyenne Light) and appearing by telephone, Brian Iverson, Senior Counsel for Cheyenne Light, and stated Cheyenne Light is requesting action on the Application and the Petition for Confidential Treatment. Mr. Iverson described the Application as an additional decrease to the previous ECA decrease by one month. He stated this is now a complete refund of the over collected balance of \$4,535,000. Ms. Norby, CAS, recommended approval of the Application by Notice and Order, effective June 1, 2008, and approval of the Petition for Confidential Treatment of Schedule B, C and D only. Commissioner Byrnes moved to take action as recommended and Chairman Lewis seconded.

- 2. Docket No. 30022-116-GC-08 (Record No. 11757) In the matter of the extension of natural gas service to the Wyoming Department of Corrections facility under construction in Torrington.** Ms. Kelly Pearson, counsel for SourceGas, introduced Rick Mitaelfelt, Manager for Program Management for SourceGas, Verlyn Engler, Manager for Load Growth for SourceGas, and Gary Abbate, the Senior Regulatory Analyst for SourceGas, and stated that SourceGas is here to follow up on a previous discussion regarding the extension of natural gas to the new Torrington prison. Discussion took place concerning different proposals regarding new options, new estimates and other costs, and presented documents to the Commission regarding those options. Mr. Mitaelfelt stated a second estimate was recently received from KMIGT which came in at \$50,000 higher than the previous estimate due to materials and other costs. Mr. Rich Cathcart, Administrator for Construction Management for the State of Wyoming, stated this was the first time he had seen the documents and would like to work with SourceGas regarding these other options. He stated that SourceGas has been responsive to the State and feels confident these issues can be worked out. The State's main concern is the time line and doesn't feel pushing the date out more than a few weeks is acceptable. Chairman Lewis suggested that SourceGas and Mr. Cathcart work together on these new proposals and report back to the Commission at its June 13, 2008, open meeting, which was agreed to by all parties.
- 3. Docket No. 30022-113-GP-08 (Record No. 11751) Application of SourceGas Distribution, LLC (Casper Division) for authority to pass on through its commodity balancing account an increase of \$3.7985 per Dth to its Pass-On Rate [Regulated Rate] customers. Commission to consider and act on the company's Application and Petition for Confidential Treatment of Exhibit E.** Marci Norby, CAS, provided a technical memo dated May 27, 2008. Mr. Gary Abbate, Senior Regulatory Analyst for SourceGas, appeared by telephone and stated this Application is for the regular quarterly pass-on adjustment applicable to Casper Division customers taking service under the Pass-On Rate [Regulated Rate] with a proposed effective date of June 1, 2008. This increase is based on the commodity rate, the surcharge rate and the working gas storage adjustment. Mr. Abbate also requested confidential treatment be granted to the Application's Exhibit E. There being no further comments or questions, Ms. Norby recommended approval of the Application by Notice and Order, effective June 1, 2008, and approval of the request for confidential treatment. Commissioner Byrnes moved to take action as recommended and Chairman Lewis seconded the motion.
- 4. Docket No. 30022-114-GP-08 (Record No. 11752) Application of SourceGas Distribution, LLC (Torrington Division) for authority to pass on through its commodity balancing account an increase of \$3.5398 per Dth to its Pass-On Rate [Regulated Rate] customers. Commission to consider and act on the company's Application and Petition for Confidential Treatment of Exhibit E.** Jess Bottom, CAS, provided a technical memo dated May 27, 2008. Mr. Gary Abbate, Senior Regulatory Analyst for SourceGas, appeared by telephone and stated this Application is for the regular quarterly pass-on adjustment applicable to Torrington Division customers taking service under the Pass-On Rate [Regulated Rate] with a proposed effective date of June 1, 2008. This increase is based on the commodity rate, the surcharge rate and the working gas storage adjustment. Mr. Abbate also requested confidential treatment be granted to the Application's Exhibit E. There being no further comments or questions, Mr. Mink, Commission Counsel, recommended approval of the Application by Notice and Order,

effective June 1, 2008, and approval of the request for confidential treatment. Commissioner Byrnes moved to take action as recommended and Chairman Lewis seconded the motion.

5. **Docket No. 30022-115-GP-08 (Record No. 11753) The Application of SourceGas Distribution LLC, formerly Kinder Morgan, Inc. (Gillette Division) for authority to pass-on through its commodity balancing account an increase of \$4.4698 per Dth to its Pass-On Rate [Regulated Rate] Customers. Commission to consider and act on the Application and the Company's request for confidential treatment of its Exhibit E.** Art Schmidt, CAS, provided a technical memo dated May 27, 2008. Mr. Gary Abbate, Senior Regulatory Analyst for SourceGas, appeared by telephone and stated this Application is for the regular quarterly pass-on adjustment applicable to Gillette Division customers taking service under the Pass-On Rate [Regulated Rate] with a proposed effective date of June 1, 2008. This increase is based on the commodity rate and the surcharge rate. He stated there is no storage in Gillette and therefore that adjustment is not applicable here. Mr. Abbate also requested confidential treatment be granted to the Application's Exhibit E. There being no further comments or questions, Mr. Mink, Commission Counsel, recommended approval of the Application by Notice and Order, effective June 1, 2008, and approval of the request for confidential treatment. Commissioner Byrnes moved to take action as recommended and Chairman Lewis seconded the motion.
6. **Docket No. 20004-73-EA-08 (Record No. 11716) Application of Montana-Dakota Utilities Co. for approval to revise its tax collection rate for the Sheridan Electric Occupation Tax pursuant to the Tax Clause section of Rate 100. Commission to consider and act on the Company's Application.** Michelle Bohanan and Marci Norby, CAS, provided a technical memo dated May 21, 2008. Bruce Asay, counsel for Montana-Dakota Utilities Co., appeared and introduced Rita Mulkern of Montana Dakota Utilities Company who participated by telephone. Ms. Mulkern explained that the City of Sheridan has an Electric Occupation Tax which is a flat fee of \$50,000 per year. Montana-Dakota is proposing to revise its tax collection rate to 0.11% pursuant to the Tax Clause section of Rate 100. There being no further comments or questions, Ms. Bohanan recommended approval of the Application by Order only, effective June 1, 2008. Commissioner Byrnes moved to take action as recommended and Chairman Lewis seconded the motion.
7. **Docket No. 30013-203-GP-08 (Record No. 11745) Application of Montana-Dakota Utilities Company for authority to pass on a wholesale gas cost increase of \$1.230 per Dth. Commission to consider Application and Company's request for confidential treatment of Exhibit 3(a).** Jess Bottom, CAS, provided a technical memo dated May 24, 2008. Rita Mulkern, Montana Dakota Utilities Company, participated by telephone and presented the Company's Application. She stated the request is due to various factors such as the price of gas, colder than usual weather during the month of April, record high crude oil prices and high demand for gas. The Company would like an effective date of June 1, 2008 and approval of its Petition For Confidential Treatment of Exhibit 3(a). Staff asked Ms. Mulkern what the Company is using for their rate of return and earnings figures. Ms. Mulkern replied that on initial review, the Company had an increase in customer count and the operational expenses were lower resulting in their rate of return being higher than authorized. Ms. Any Zamora, OCA, suggested the Company become more consistent in their filings. Mr. Bottom stated Staff would work with the Company to obtain more

definitive actions and consistency. There being no further comments or questions, Mr. Bottom recommended approval of the Application by Notice and Order, effective June 1, 2008, and approval of the request for confidential treatment. Commissioner Byrnes moved to take action as recommended and Chairman Lewis seconded the motion.

A full audio transcript is available upon request.

Next Open Meeting: Tuesday, June 3, 2008, at 1:30p.m.

Prepared by: Angie Elliott

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

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Kathleen A. "Cindy" Lewis, Chairman