

# BEFORE THE PUBLIC SERVICE COMMISSION OF WYOMING

Minutes of Regular Open Meeting  
Monday, October 1, 2007, at 1:00 p.m.

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## Attendees

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

Walter Eggers, counsel for MGTC, Inc.  
Bryan Lee, Frannie Deaver Utilities Company (by telephone)  
Peter Lock, Global Capacity Group, Inc. (by telephone)  
Sherry Manual, Anadarko (by telephone)  
Rita Mulkern, Montana-Dakota Utilities Company (by telephone)  
Chris Odell, MGTC, Inc. (by telephone)  
Tye Teeples, Fall River Rural Electric Cooperative, Inc. (by telephone)

Office of Consumer Advocate (OCA): Bryce Freeman

Commission Staff: Blair Bales, Don Biedermann, Jess Bottom, Vicky Hansen, Dave Lucero, Luy Luong, Steve Mink, Marci Norby, Chris Petrie

## CONSENT AGENDA FOR ROUTINE ACTION ITEMS

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1. **Docket Nos. 70000-1349-TK-07 and 70108-11-TK-07 (Record No. 11315) Qwest Corporation is petitioning for Commission authority for a Triennial Review Order and Triennial Review Remand Order Interconnection Agreement with Granite Telecommunications LLC.**
2. **Docket No: 70000-1351-TK-07 and 70075-06-TK-07 (Record No. 11318) Contract filing of Qwest Corporation for authority to enter into a Voice Over Internet Protocol (VoIP) amendment to the Interconnection Agreement with 360networks(USA) Inc.**
3. **Docket Nos. 70000-1352-TK-07 and 70085-9-TK-07 (Record No. 11319) Joint application of Qwest Corporation and NOS Communications, Inc., for Commission authority to enter into a Resale Agreement.**

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 comments or questions. Luy Luong, Commission Advisory Staff (CAS), recommended approval of all three items by Order only, effective immediately. Deputy Chairman Oxley moved to take action as recommended, and Chairman Lewis concurred.

## REGULAR AGENDA ITEMS

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1. **Docket No. 20000-277-ER-07 (Record No. 11249) Application of Rocky Mountain Power, for approval of a general rate increase of approximately \$36.1 million per year for retail electric utility service in Wyoming, and for approval of a new renewable resource mechanism and marginal cost pricing tariff. Commission to consider and act on Petition for Leave to Intervene.** Chris Petrie, Commission Chief Counsel, said the City of Casper is requesting leave to intervene out of time primarily to maintain a high level of awareness of what is occurring. He said the City acknowledges it is requesting intervention out of time and is willing to accept the case as they find it. There were no further comments or questions. Mr. Petrie recommended granting the petition. Deputy Chairman Oxley moved to grant the petition for leave to intervene and, since the petition was filed out of time, that they take the case as they find it. Chairman Lewis seconded the motion.
  
2. **Docket No. 10000-16-CS-07 (Record No. 11368) Application of Fall River Rural Electric Cooperative, Inc. (Fall River Electric), for authority to borrow \$15,000,000.00 from the National Rural Utilities Cooperative Finance Corporation.** Marci Norby, CAS, provided a technical memo dated September 17, 2007. Tye Teeples, Fall River Electric, said the loan is needed as a result of projected growth in the company's customer base and resulting facilities expansion in both Wyoming and Idaho. He said Fall River Electric has received permission from its bank to borrow \$15,000,000 as an annual draw-down loan over the next five years. Mr. Teeples said the bank auditor will certify the money is used for the purposes stated in the loan agreement and that all financial requirements have been met before additional funds can be drawn. There were no further comments or questions. Ms. Norby recommended approval of the application by Order only, effective immediately, and that the company be required to file copies of all executed loan closing documents. Deputy Chairman Oxley moved to take action as recommended, and Chairman Lewis seconded the motion.
  
3. **Docket No. 30007-83-GP-07 (Record No. 11409) Application of Frannie-Deaver Utilities Company (Frannie-Deaver) for authority to pass on a commodity balancing account increase of \$0.5617 per MCF.** Jess Bottom, CAS, provided a technical memo dated September 20, 2007. Bryan Lee of Frannie-Deaver said the increase results from projected gas cost increases for the winter period and amortization of the commodity balancing account. Mr. Bottom said the requested pass-on is on a dollar-for-dollar basis and will affect 250 retail customers. There were no further comments or questions. Mr. Bottom recommended approval of the application by Notice and Order, effective for usage on and after October 1, 2007. Deputy Chairman Oxley moved to approve the application as recommended, and Chairman Lewis seconded the motion.
  
4. **Docket No. 30013-193-GP-07 (Record No. 11397) Application of Montana-Dakota Utilities Company (MDU) for authority to pass on a wholesale gas cost decrease of \$1.255 per Dth for residential service customers and petition for confidential treatment.** Jess Bottom, CAS, provided a technical memo dated September 24, 2007. Rita Mulkern, MDU, said the application represents the regular gas cost adjustment for

October and is comprised of a purchased gas adjustment for the period of May 1 through October 1, a decrease in the surcharge for the commodity balancing account and in projected pipeline costs. MDU is requesting an effective date of October 1 and is also requesting confidential treatment of Exhibit 3(a). Mr. Bottom said the requested adjustment will not change the company's rate of return and is on a dollar for dollar basis. The Commissioners pointed out that the pass-on adjustment affects not only residential customers, and they said future notices published as part of the Commission's open meeting agenda should contain more complete information. Steve Mink, Commission Counsel, agreed but said any Notice and Order issued approving the adjustment would properly reflect all classes of service affected. The Commissioners also stressed the need to comply with Rule 120 in applying for confidential treatment of material provided with applications. There were no further comments or questions. Mr. Bottom recommended approval of the application by Notice and Order effective for usage on and after October 1, 2007. Deputy Chairman Oxley moved to act as recommended, and Chairman Lewis concurred. Mr. Mink recommended approval confidential treatment for the application exhibit with an Order which would include instructions on how to properly file such a petition. Deputy Chairman Oxley moved to approve the petition for discussion purposes, and Chairman Lewis seconded that motion. After clarifying what is needed for a correct filing, the motion to approve the petition was passed.

5. **Docket No. 70125-1-TA-07 (Record No. 11354) Global Capacity Group, Inc. (Global), petition for a certificate of public convenience and necessity to provide concurrent local exchange telecommunications services in Wyoming areas served by Qwest.** Luy Luong, CAS, provided a technical memo dated September 20, 2007. Peter Lock, Vice President of Carrier Relations for Global, said the company would like to provide local exchange access in Wyoming in areas currently served by Qwest. Global would be a reseller of private line services and would not be facilities based at this time. Mr. Luong confirmed Global has provided proof of financial capability in its application and said the completed interexchange agreement with Qwest will be provided to the Commission. Mr. Luong also said tariffs would be submitted prior to offering services in Wyoming. There were no further comments or questions. Mr. Luong recommended approval of the petition by Notice and Order, effective immediately. Deputy Chairman Oxley moved to act as recommended, and Chairman Lewis seconded the motion.
6. **Docket No. 30003-42-GA-07 (Record 11282) MGTC, Inc., request for approval of a reorganization to make it a direct subsidiary of Western Gas Resources, Inc.** Don Biedermann, CAS, provided a technical memo dated September 21, 2007. Walter Eggers, counsel for MGTC, Inc., said approval of the request would change MGTC from being a direct subsidiary of MIGC to being a direct subsidiary of Western Gas Resources, all of which is part of the continuing process of the merger between Anadarko and Western Gas. Mr. Eggers said notice has been provided through press advertisements and direct mail to the company's shippers, and there would be no functional or regulatory change as a result of the reorganization. The application, Mr. Eggers said, states there will be no expense allocation to MGTC or its customers as a result of this action. Mr. Biedermann verified public notice was provided and expired on September 7, 2007, with no

comments or protests filed. There were no further comments or questions. Mr. Biedermann recommended approval of the request and, additionally, approval of MGTC's request for confidential treatment of certain information provided with the application. Deputy Chairman Oxley moved to approve the application and the petition for confidential treatment by Order only, effective immediately. Chairman Lewis seconded the motion.

A full audio transcript is available upon request.

Next Open Meeting: Friday, October 12, 2007, at 9:00 a.m.

Prepared by: Deborah McFerrin.

ACCEPTED and APPROVED by the Commission on the 29<sup>th</sup> day of November 2007.

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Kathleen A. "Cindy" Lewis, Chairman

# BEFORE THE PUBLIC SERVICE COMMISSION OF WYOMING

Minutes of Regular Open Meeting  
Friday, October 12, 2007, at 9:00 a.m.

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## Attendees

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

Bruce Asay, counsel for Pinedale Natural Gas, Inc.  
Don Ball, Montana Dakota Utilities Company (by telephone)  
Janeen Capshaw, NG Transmission (by telephone)  
T. J. Carroll, Kinder Morgan Interstate Transmission, LLC (by telephone)  
Calvin Jones, Wyoming Sugar Company, LLC  
Steve McDougal, Rocky Mountain Power (by telephone)  
Richard McKamey, Wyoming Sugar Company, LLC (by telephone)  
Gilmer Mickey, Pinedale Natural Gas, Inc. (by telephone)  
Dave Mosier, Rocky Mountain Power  
John Sundahl, counsel for Cheyenne Light, Fuel and Power Company (by telephone)

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

Commission Staff: Blair Bales, Don Biedermann, Vicky Hansen, Luy Luong, Steve Mink, Marci Norby, Chris Petrie, Dick Valent, Darrell Zlomke

## CONSENT AGENDA FOR ROUTINE ACTION ITEMS

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

**Docket No. 30005-112-GR-07 (Record No. 11071) Application of Cheyenne Light, Fuel and Power Company for a general rate increase of \$4,553,554 per annum (a 9.0% overall increase) in its retail natural gas sales and transportation rates.**

**Commission to consider and act on Cheyenne Light, Fuel and Power Company's Motion for *pro hac vice* Admission of Brian Iverson, Kenna Hagen and Marv Truhe.**

2. **Undocketed. Minutes for review by the Commission for the regular Open Meetings of September 19 and 20, 2007.**

Chris Petrie, Commission Chief Counsel, said Consent Agenda Item 1 was submitted for consideration because two of the attorneys are employees of Black Hills Corporation rather than the applicant, Cheyenne Light. Commissioner Byrnes moved to remove this item from the Consent Agenda for further consideration. Deputy Chairman Oxley seconded the motion, and Chairman Lewis concurred. Deputy Chairman Oxley then moved to accept the minutes in Item 2 as submitted. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.

Returning to Item 1, John Sundahl, counsel for Cheyenne Light, said the motion was filed as the company was not exactly sure whether or not the Commission rules for admission apply to employees of the parent company, Black Hills Power. There followed some discussion on the relationship between the companies and the duties and responsibilities of the employees involved. As a result, Mr. Petrie recommended Mr. Iverson's admission *pro hac vice* be denied as unnecessary and admission *pro hac vice* be granted for Ms. Hagen and Mr. Truhe. Deputy Chairman Oxley moved to take action as recommended, adding that Mr. Iverson is welcome to appear before the Commission. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.

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### REGULAR AGENDA ITEMS

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1. **Docket No. 30016-49-GP-07 (Record No. 11406). Amended application of Pinedale Natural Gas, Inc. (Pinedale), for authority to pass on a wholesale gas cost decrease of \$1.05 per Dth through its commodity balancing account.** Marci Norby, CAS, provided a technical memo dated October 5, 2007. Bruce Asay, counsel for Pinedale, said the initial filing in September requested a \$1.13 decrease, but discussions with Commission staff resulted in the current request for a decrease of \$1.05 per Dth. Mr. Asay added that this adjustment is a result of the recently-approved tariff which sets adjustment periods in April and October. Ms. Norby pointed out that a different price index than the one set out in the tariff was used without a waiver being requested, and she said Pinedale needs to provide normalized earnings statements. There were no further comments or questions. Ms. Norby recommended approval of the decrease on an interim basis by Notice and Order, effective immediately, and that the company be required to file normalized financial statements and corrected tariff language within 10 business days. Deputy Chairman Oxley moved to take action as recommended, and Commissioner Byrnes seconded the motion. Chairman Lewis concurred and asked staff to investigate remedies to decide the outstanding interim orders for Pinedale.
  
2. **Docket No. 20000-277-ER-07 (Record No. 11249) Application of Rocky Mountain Power (RMP) for approval of a general rate increase of approximately \$36.1 million per year for retail electric utility service in Wyoming, and for approval of a new renewable resource mechanism and marginal cost pricing tariff. Commission to**

**consider and act on Petition of Kinder Morgan Interstate Transmission LLC (Kinder Morgan) and Canyon Creek Compression Company for Permission to Intervene Out of Time.** T. J. Carroll, Kinder Morgan, said both companies requesting permission to intervene operate interstate pipelines within Wyoming and both purchase significant amounts of electricity from Rocky Mountain Power. Mr. Carroll said the petition was not filed within the proper period due to transitional activities within Kinder Morgan, but he did contact RMP and they indicated there were no objections to the intervention. Bryce Freeman, OCA, and Dave Mosier, RMP, both confirmed there were no objections as long as Kinder Morgan accepts the established procedural schedule and take the case as it finds it. There were no further comments or questions. Chris Petrie, Commission Chief Counsel, recommended granting the petition with an Order reflecting Kinder Morgan will take the case as it finds it. Deputy Chairman Oxley moved to take action as recommended. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.

3. **Docket No. 20000-268-EA-07 (Record No. 11103) Rocky Mountain Power request for approval of an accounting order for costs related to the Powerdale Hydroelectric facility flooding.** Don Biedermann and Marci Norby, CAS, provided a technical memo dated September 11, 2007. Dave Mosier, RMP, said the small, 6-MW facility was scheduled for operation until April 2010 with decommissioning and removal to be completed by February 29, 2012. However, he said, flooding has caused severe damage to the facility and resulted in a decision to decommission the plant at this time. Mr. Mosier said the amended application requests approval of three things: (1) authority to transfer undepreciated investment from the FERC account for electric plants in service to the account for unrecovered costs; (2) record \$6.3 million of estimated decommissioning costs; and (3) establish an amortization period for the remaining plant investment and decommissioning costs over a period of five years. Mr. Mosier said, based on discussion with Commission staff and the OCA, the amortization period was adjusted from three years in the original application to five years. He also said no ratemaking determination is being requested at this time as this will be addressed in the upcoming general rate case. Mr. Mosier responded to questions from Commissioners and staff regarding Wyoming allocations and actions being taken in other states. There were no further comments or questions. Mr. Biedermann recommended approval of the request as requested in RMP's amended application by Order only, effective immediately, with no ratemaking implications at this time. Deputy Chairman moved to approve the request as recommended. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.
4. **Docket No. 10008-34-CS-07 (Record No. 11410) Application of Niobrara Electric Association, Inc. (Niobrara Electric), for approval to borrow \$1,324,000 from the Federal Financing Bank (FFB) to be guaranteed by the Rural Utilities Service (RUS).** Marci Norby, CAS, provided a technical memo dated October 9, 2007. Sheldon Albertson, Niobrara Electric, said the requested monies will go toward continuing pole replacement, updating of equipment and a large portion will be applied to the purchase of a remote-access meter reading system to help improve reliability. Mr. Albertson

responded to questions regarding potential growth and future upgrades to the system. There were no further comments or questions. Ms. Norby recommended approval of the application by Order only, effective immediately, with the requirement executed documents of the loan transaction closing be filed with the Commission upon completion. Deputy Chairman Oxley moved to act as recommended, and Commissioner Byrnes seconded the motion. Chairman Lewis concurred.

5. **Docket No. 50051-01-PA-07 (Record No. 11451) Commission to consider and possibly act on the request of Wyoming Sugar Company, LLC (Wyoming Sugar), for approval of a temporary arrangement for the transportation of natural gas by NG Transmission (NGT) to the sugar beet processing facility in Worland, Wyoming.** Chris Petrie, Commission Chief Counsel, said a request was received from Wyoming Sugar to obtain its gas supply through a transportation agreement with NGT rather than Montana Dakota Utilities Company (MDU) which holds a certificate of public convenience and necessity for the area. Mr. Petrie said the situation is unusual because the customer, rather than the utility, is making the request for a variance. Cal Jones, Wyoming Sugar, said the company is requesting emergency transportation service from NGT as that company can provide transportation of CIG gas now to support the crop processing which began on October 1. Mr. Jones explained there were meetings with MDU and other companies beginning in May to make arrangements for this season. Bruce Asay, representing MDU, said he was unaware of the agreement, but MDU does not have any desire to obstruct an arrangement which would benefit the company and the community. Mr. Asay asked that any Order issued reflect the authority is only temporary and does not affect any certificates issued. Janeen Capshaw, NGT, said service can be provided under existing tariffs and that no contract with Wyoming Sugar will be completed without Commission authority. Ms. Capshaw said the contract would be filed with the Commission upon execution. There were no further comments or questions. Mr. Petrie recommended granting NGT a temporary, emergency authority to provide transportation services to Wyoming Sugar pursuant to NGT's filed tariff; he added this very clearly would be an action taken under peculiar circumstances and would only be temporary with authority extending through the end of the current sugar processing campaign. Deputy Chairman Oxley moved to issue an Order, effective immediately, to allow emergency transportation through the end of the processing season with that date to be confirmed within one week of season end to the Commission in writing. He also moved that the Order reflect this is a unique, isolated emergency circumstance which has no affect on any future decisions the Commission may make or on any prior orders issued, or have any affect on the integrity of the MDU certificate. Deputy Chairman Oxley also asked acknowledgement of the agreement between MDU and Wyoming Sugar be included in the Order and that NGT file a copy of the executed agreement with the Commission. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.

A full audio transcript is available upon request.

Next Open Meeting: Tuesday, October 16, 2007, at 1:30 p.m.

Prepared by: Deborah McFerrin.

ACCEPTED and APPROVED by the Commission on the 29<sup>th</sup> day of November 2007.

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Kathleen A. "Cindy" Lewis, Chairman

# BEFORE THE PUBLIC SERVICE COMMISSION OF WYOMING

Minutes of Regular Open Meeting  
Tuesday, October 16, 2007, at 1:30 p.m.

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## Attendees

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

Rich Brown, Powder River Energy Corporation (by telephone)  
Joanne Hoffine, Powder River Energy Corporation (by telephone)  
Chris Schiffbauer, Rocky Mountain Pipeline Systems (by telephone)  
Lindsay Woznick, counsel for Rocky Mountain Pipeline Systems

Commission Staff: Blair Bales, Jess Bottom, Dave Lucero, Chris Petrie

## CONSENT AGENDA FOR ROUTINE ACTION ITEMS

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

**Docket No. 30005-112-GR-07 (Record No. 11071) Application of Cheyenne Light, Fuel and Power Company for a General Rate Increase of \$4,553,554 per annum (a 9.0% overall increase) in its Retail Natural Gas Sales and Transportation Rates**

**Commission to consider issuance of a Special Order authorizing One Commissioner and/or Hearing Examiner to Conduct Public Hearing.** Chairman Lewis introduced the Consent Agenda item and asked if there were any requests to withdraw it for further consideration. There were no such requests nor any questions or comments. Chris Petrie, Commission Chief Counsel, recommended issuance of the Special Order. Deputy Chairman Oxley moved to take action as recommended, and Chairman Lewis concurred.

## REGULAR AGENDA ITEMS

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1. **Docket No. 10014-98-CT-07 (Record No. 11293) Amended application of Powder River Energy Corporation (PRECorp) for authority to revise its rules and regulations.** Jess Bottom, Commission advisory staff (CAS), provided a technical memo dated October 11, 2007. Joanne Hoffine, PRECorp, said there has not been a significant update to its rules and regulations since 2001, and it has become apparent some contain language which is either outdated or no longer applicable. Mr. Bottom said some Staff changes were suggested and adopted which resulted in the amended application currently under review. There were no further comments or questions. Mr. Bottom recommended approval of the application by Order only, effective immediately, as public notice was previously provided with no comments or interventions being filed. Chris Petrie,

Commission Chief Counsel, said the changes made to the application were not of such a material nature to warrant a new public notice. Deputy Chairman Oxley moved to approve the application by Order only, effective this date, and Chairman Lewis seconded the motion.

2. **Docket No. 50050-12-PT-07 (Record No. 11431) Tariff filing of Rocky Mountain Pipeline System LLC (RMPS) for authority to change tariffs on less than 30 days notice to increase the maximum viscosity limit on acceptable crude from 225 to 450 centistokes.** Jess Bottom, CAS, provided a technical memo dated October 11, 2007. Lindsay Woznick, counsel for RMPS, said the requested increase would be a benefit to the company's shippers. She said the shippers were provided a copy of the application, and no questions or concerns were received as a result. Chris Schifbauer of RMPS confirmed the decrease in cost to shippers, saying the new higher viscosity limit would reduce the amount of condensate needed before RMPS would accept crude oil to ship. There were no further comments or questions. Mr. Bottom recommended the change be authorized by Notice and Order effective October 16, 2007, and Dave Lucero, Commission Counsel, requested the company provide a list of shippers for public notice purposes. Deputy Chairman Oxley moved to approve the application as recommended including the requirement a list of shippers be provided to the Commission with confidential treatment to be provided if requested by RMPS. Chairman Lewis seconded the motion.

A full audio transcript is available upon request.

Next Open Meeting: Tuesday, October 18, 2007, at 1:30 p.m.

Prepared by: Deborah McFerrin.

ACCEPTED and APPROVED by the Commission on the 29<sup>th</sup> day of November 2007.

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Kathleen A. "Cindy" Lewis, Chairman

# BEFORE THE PUBLIC SERVICE COMMISSION OF WYOMING

Minutes of Regular Open Meeting  
Thursday, October 18, 2007, at 1:30 p.m.

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## Attendees

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

Bruce Asay, counsel for Pinedale Natural Gas, Inc.

Commission Staff: Don Biedermann, Dave Lucero, Chris Petrie

## REGULAR AGENDA ITEMS

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- 1. Docket No. 30016-45-GS-07 (Record No. 11246) Application of Pinedale Natural Gas, Inc. (PNG), for approval of certain loans. Commission to consider continuing the application beyond 30 days after filing pursuant to W. S. 37-6-104.** Dave Lucero, Commission Counsel, said the Commission has granted two continuances already in this matter, but additional time may be needed beyond the expiration date of October 28, 2007. He said Commission staff has been in contact with PNG to obtain additional information to meet the statutory requirements regarding market value of the utility, and, although some information has been received, further clarification and information is needed. As a result, staff is requesting an additional 60-day continuance until December 28, 2007. Counsel for PNG supported the request. There were no further comments or questions. Deputy Chairman Oxley moved to extend the period until January 3, 2008, allowing extra time due to the holiday season, and Chairman Lewis seconded the motion.

A full audio transcript is available upon request.

Next Open Meeting: Friday, October 19, 2007, at 9:00 a.m.

Prepared by: Deborah McFerrin.

ACCEPTED and APPROVED by the Commission on the 29<sup>th</sup> day of November 2007.

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Kathleen A. "Cindy" Lewis, Chairman

**BEFORE THE PUBLIC SERVICE COMMISSION OF WYOMING**

Minutes of Regular Open Meeting  
**Friday, October 19, 2007, at 9:00 a.m.**

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**Attendees**

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

Don Jackson, Tri-County Telephone Company (by telephone)

Commission Staff: Mike Korber, Chris Petrie

**REGULAR AGENDA ITEMS**

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- 1. Docket No. 90000-97-XO-07 (Record No. 11134) Proposed adoption of Chapter 5, Section 513 of the Commission’s Procedural Rules and Regulations regarding the designation of telecommunications carriers for eligibility for Federal Universal Service Funds. Commission to review and consider public comments received in this matter and possibly adopt final rules.** Mike Korber, Commission Advisory Staff (CAS), provided a memo dated October 17, 2007, with a summary of comments submitted. Mr. Korber said this is a companion proceeding to one completed last year for revision of Rules 513 and 514 in which Rule 514 was approved and additional changes were requested to Rule 513. He said comments were received from four parties—Wyoming Telecommunications Association, Alltel Communications, United Telephone Company of the West and the Office of Consumer Advocate. Mr. Korber reviewed the suggested modifications with the Commissioners and responded to their questions regarding the comments. There were no further comments or questions. Chris Petrie, Commission Chief Counsel, recommended the Rule be adopted as noticed and published with the exception of one correction to add one dash to correct an omission. Deputy Chairman Oxley moved to accept the staff recommendation. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.

A full audio transcript is available upon request.

Next Open Meeting: Friday, October 19, 2007, at 9:00 a.m.

Prepared by: Deborah McFerrin.

ACCEPTED and APPROVED by the Commission on the 5<sup>th</sup> day of December 2007.

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Kathleen A. “Cindy” Lewis, Chairman

# BEFORE THE PUBLIC SERVICE COMMISSION OF WYOMING

Minutes of Regular Open Meeting  
Wednesday, October 31, 2007, at 1:30 p.m.

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## Attendees

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

Sheldon Albertson, Niobrara Electric Association, Inc.  
Bruce Asay, counsel for Pinedale Natural Gas, Inc.  
Grant Bocker, Questar Gas Company (by telephone)  
Danny Eyre, Bridger Valley Electric Association, Inc. (by telephone)  
Kate Fox, AT&T Corporation  
Michael Fox, RT Communications  
Dennis Harper, Rocky Mountain Power (by telephone)  
Paul Hickey, counsel for Qwest Corporation  
Jeff Hubbard, Qwest Corporation  
John Kennedy, Questar Gas Company (by telephone)  
Colleen Larkin Bell, Questar Gas Company (by telephone)  
Dave Mosier, Rocky Mountain Power  
Rita Mulkern, Montana Dakota Utilities Company (by telephone)  
Kelley Pearson, Qwest Corporation  
Gary Robinson, Questar Gas Company (by telephone)  
Robert Scrivner, Niobrara Electric Association, Inc.  
Mike Wolf, Rocky Mountain Power (by telephone)  
Liz Zerga, counsel for WWC Holding

Office of Consumer Advocate (OCA): Bryce Freeman, Ivan Williams

Commission Staff: Blair Bales, Don Biedermann, Jess Bottom, Angie Elliott, Vicky Hansen, Mike Korber, Dave Lucero, Luy Luong, Steve Mink, Marci Norby, Chris Petrie, Dave Piroutek, Art Schmidt, Barbara Taylor-Iversen

## CONSENT AGENDA FOR ROUTINE ACTION ITEMS

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- 1. Docket No. 30016-45-GS-07 (Record No. 11246) Application of Pinedale Natural Gas, Inc (Pinedale), for approval of certain loans. Act on Pinedale's Petition for confidential treatment of Attachments B and C.** This item was removed from consideration as a Consent Agenda item as described below. Chairman Lewis said she requested further discussion as she had some concerns this information may already be in the public record. Chairman Lewis said it was her belief there are inconsistencies in treatment of data across different dockets which may need resolution. Dave Lucero,

Commission Counsel, said some of the data has been presented in other dockets without requests for confidential treatment and some information has previously been treated as confidential. Bruce Asay, counsel for Pinedale Natural Gas, said the only concern of the company is in disclosing the names of third-party providers and specific information about their dealings with Pinedale Natural Gas. Mr. Asay said a redacted copy of the financial information could be provided for use in the rate case without a request for confidential treatment. There were no further comments or questions. Deputy Chairman Oxley moved to grant the petition for confidential treatment as applied for in the loan matter, and further that Mr. Asay consult his client as to whether or not he would like to put a motion before the Commission to keep the 2007 capital accounts data confidential. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.

2. **Docket No. 70009-294-TT-07 (Record No. 11253) Tariff filing of United Telephone Company of the West d/b/a Embarq (United Telephone) to reduce local access line rates and consumer and business bundled packages and increase intrastate switched access rates.**
  - a. **Commission to act on United Telephone's and AT&T Communications' Petition for approval of a Protective Order/Confidentiality Agreement.**
  - b. **Commission to consider issuing a Special Order authorizing one Commissioner and/or Hearing Office to preside at the public hearing.**
3. **Docket No. 70000-1355-TK-07 (Record No. 11353) Contract filing of Qwest Corporation for authority to enter into an unbundled network elements, ancillary service, and resale of telecommunications services interconnection agreement with Utility Telephone Inc.**
4. **Docket Nos. 70000-1357-TK-07 and 70123-2-TK-07 (Record No. 11418) Qwest Corporation and American Fiber Network, Inc., joint application for Commission authority to enter into a Rate Update Amendment to a Wireline Interconnection Agreement.**
5. **Docket No. 70000-1359-EA-07 (Record No. 11432) Tariff filing of Qwest Corporation for authority to introduce extended area service for customers in the Lander and Riverton exchanges. Commission to consider and act on Qwest Corporation's Petition for Confidential Treatment.**
6. **Undocketed. Open Meeting Minutes for review by the Commission for the Regular Open Meetings of:**

<b>July 23, 2007</b>	<b>August 22, 2007</b>
<b>July 31, 2007</b>	<b>August 30, 2007</b>
<b>August 7, 2007</b>	<b>August 31, 2007</b>
<b>August 9, 2007</b>	<b>September 6, 2007</b>

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, but

Chairman Lewis requested Item 1 be removed for consideration as at the same time as regular agenda Item 3. There were no further comments or questions on the remaining items. Mike Korber, Commission Advisory Staff (CAS), provided the following recommendations: Item 2(a), issue Order granting approval; Item 2(b), issue Order authorizing; Item 3 and 4, issue Order only, effective immediately, approving agreements; Item 5, issue Order granting petition. Deputy Chairman Oxley moved to act as recommended by staff on Items 2 through 5 and to approve the Open Meeting minutes, Item 6, as submitted. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.

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## REGULAR AGENDA ITEMS

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- 1. Docket No. 70000-TA-04-1045 (Record No. 9427) Filing of Qwest Corporation for approval of its 2004 Annual TSLRIC Study Filing. Commission to consider and act on possible final disposition of the above-docketed matter based on the Wyoming Supreme Court's ruling affirming the Commission's Order.** Paul Hickey, counsel for Qwest Corporation, pointed out that circumstances existing at the time the litigation began have changed due to the 2007 passage of the Wyoming Telecommunications Act during the last legislative session. Mr. Hickey said it is Qwest's position that pursuing a special study in the Afton area would be a waste of resources and time . Ivan Williams, OCA, said that, although the OCA took a position contrary to the Commission in its final Order, his office did not wish to take any position at this time . Dave Lucero, Commission Counsel, said the other party in this matter, Silver Star Communications, was contacted and indicated it chose not to participate further in the proceeding . Chairman Lewis observed that the Supreme Court decision still has significant relevance to the Commission to allow it to interpret and apply its rules and that any action to resolve this docket in no way undermines that authority . Deputy Chairman Oxley pointed out that the Supreme Court decision does still allow the Commission to require special studies relating to access charges and anti-competitive behavior, and that some such studies could concern TSLRIC costs and issues . Deputy Chairman Oxley made a motion for discussion purposes which was seconded by Commissioner Byrnes and concurred in by Chairman Lewis. After discussion, the motion was agreed to and restated to say that, as the prior Order was interim in nature, the Commissioners will issue an Order to accept the Qwest TSLRIC study and rescind the requirement for a study of the Afton exchange . The Order will also state the Commission preserves its right to require studies in the future under W.S. 37-15-401(c)(iv), and this decision in no manner undermines the decision issued by the Wyoming Supreme Court which clearly recognized the Commission's authority to interpret the statutes and that the Commission correctly interpreted the statutes in its prior Order.
- 2. Docket No. 30016-41-GR-06 (Record No. 10400) Second amended application of Pinedale Natural Gas, Inc. (Pinedale), for authority to establish a revised overall rate of return of 11.5% to reflect changes in the costs of providing natural gas service. Commission to consider the issuance of an Order *Nunc Pro Tunc* regarding paragraph 137 of the Amended Final Order issued October 1, 2007.** Marci Norby and Don Biedermann, Commission Advisory Staff (CAS), provided a technical memo

dated October 29, 2007. Blair Bales, Commission Counsel, said the amended final Order in this case contains an error in paragraph 37 which states “which Commission subsequently approved,” when in fact action has not yet been taken. There were no further comments or questions. Deputy Chairman Oxley moved to issue an Order striking the words “which Commission subsequently approved” from paragraph 37 of the Amended Final Order. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.

3. **Docket No. 30016-49-GP-07 (Record No. 11406) Amended application of Pinedale Natural Gas, Inc., for authority to pass on a wholesale gas costs decrease of \$1.05 per decatherm through its Commodity Balancing Account. Commission advisory staff to report on the Company's compliance filing dated October 26, 2007, consisting of the Company's normalized financial results and revised tariff Sheet No. R32.** Blair Bales, Commission Counsel, said the requested compliance filing has been received, and she believes no action is needed at this time. Marci Norby, CAS, said she has been reviewing the information and continues to have discussions with the company to clarify some of the material. No further Commission action was requested or taken.
4. **Docket No. 10008-33-CR-06 (Record No. 10897) Application of Niobrara Electric Association, Inc. (Niobrara), for a general rate increase of \$395,864 per annum (an 8.86% overall increase) which includes recovery of a power cost increase. Commission to consider and act on finalizing interim rates previously granted.** Jess Bottom, CAS, provided a technical memo dated October 26, 2007. Sheldon Albertson, Niobrara Electric, said the company has been working with Commission staff and OCA to resolve questions and has made adjustments to Niobrara's requests. Ivan Williams, OCA, said they will not request a hearing and agree with the request for final approval of the application. Mr. Williams and Mr. Bottom said there are still some rate design issues, particularly with the irrigation class, but these will be resolved after evaluating the impact of Tri-State Generation's new rate structure on Niobrara. There were no further comments or questions. Mr. Bottom recommended the application be approved on a final basis by Order only, effective immediately, and requested a compliance filing be supplied after a full year ending December 31, 2007, providing further information on cost of service, income, cost of power and coincident peak demands in support of costs. Deputy Chairman Oxley moved to take action as recommended. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.
5. **Docket No. 20000-288-EA-07 (Record No. 11340) Rocky Mountain Power (RMP) request for authority to sell an easement to Summit County, Utah, for a public roadway.** Don Biedermann, CAS, provided a technical memo dated October 24, 2007. Dave Mosier, RMP, said the request is for the sale of an easement to allow for development of a cul de sac off an existing road. He said the funds will go into an account for disposition of property, and the sale would not affect the transmission line or any RMP customers. There were no further comments or questions. Mr. Biedermann recommended approval of the transaction by Order only, effective immediately. Deputy

Chairman Oxley moved to take action as recommended. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.

6. **Docket No. 20000-293-EA-07 (Record No. 11420) Application of Rocky Mountain Power for authority to sell an easement to the E-Center Development Corporation, a Utah corporation, in favor of the Mark L. Green Family Trust, Paul M. Jensen Family Trust and Michael G. Kampros Family Trust, for construction of access road and parking area.** Art Schmidt, CAS, provided a technical memo dated October 25, 2007. Dave Mosier, RMP, said the funds from the sale would go into an exchange account to be used within 45 days to purchase easements for other projects. Mr. Mosier said there would be no impact on access to the transmission system or to any customers. Mike Wolf, RMP, explained how the easement fees are calculated and said RMP will not be giving up its ownership rights to the property. There were no further comments or questions. Mr. Schmidt recommended approval of the application by Order only, effective immediately. Deputy Chairman Oxley moved to take action as recommended. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.
7. **Docket No: 20000-294-EA-07 (Record No. 11421) Application of Rocky Mountain Power for authority to grant an easement to West Valley City, Utah, for a storm water drainage ditch.** Art Schmidt, CAS, provided a technical memo dated October 25, 2007. Mr. Mosier explained there is no transfer of money as this transaction would be granting of an easement rather than a sale. The grant would allow the city to realign and improve an existing culvert which is eroding. Mr. Mosier said the project would actually improve access to the transmission line and would have no impact on customers. Mr. Wolf confirmed the improvements would provide an increase in the value of the property. There were no further comments or questions. Mr. Schmidt recommended approval of the application by Order only, effective immediately. Deputy Chairman Oxley moved to take action as recommended. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.
8. **Docket No. 20000-295-EA-07 (Record No. 11422) Application of Rocky Mountain Power for authority to sell an easement to M. J. Land & Livestock, a Utah corporation, for a public roadway.** Art Schmidt, CAS, provided a technical memo dated October 25, 2007. Mr. Mosier said this transaction is for sale of an easement only, and RMP will retain ownership. He said there would be no impact on access to transmission facilities or any effect on customers. There were no further comments or questions. Deputy Chairman Oxley moved to take action as recommended. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.
9. **Docket No: 20000-300-EA-07 (Record No. 11457) Application of Pacific Power, a/k/a Rocky Mountain Power, for authority to sell two parcels of land to the Washington Department of Transportation (WDOT), for the expansion of State Route (SR) 12 for a state highway through the transmission corridor.** Art Schmidt, CAS, provided a technical memo dated October 25, 2007. Dave Mosier, RMP, said this transaction involves the outright sale of two land parcels for highway development. Mr. Mosier said the State of Washington requires an outright purchase and was upset with the

requirement for approval from the Wyoming PSC. Dennis Harper, RMP, said the Washington DOT was satisfied with his explanation of the process and requested expeditious handling of the approval process. Mr. Harper also verified there will be unrestricted access to transmission facilities in perpetuity after the sale. There were no further comments or questions. Mr. Schmidt recommended approval of the application by Order only, effective immediately. Deputy Chairman Oxley moved to take action as recommended. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.

10. **Docket No. 30013-194-GP-07 (Record No. 11454) Application of Montana-Dakota Utilities Company (MDU) for authority to pass on a wholesale gas cost decrease of \$0.767 per decatherm. The Company also submitted a Petition for Confidential Treatment of Exhibit 3(A) for the Commission to consider.** Jess Bottom, CAS, provided a technical memo dated October 24, 2007. Rita Mulkern of MDU said the requested decrease is due to reduction in the market price of gas. She added that the decrease will not change the company's overall rate of return, and MDU is also requesting confidential treatment of Exhibit 3(A) to the application. There were no further comments or questions. Mr. Bottom recommended approval of the request by Notice and Order, effective for usage on and after November 1, 2007, and further recommended approval of the Petition for Confidential Treatment. Deputy Chairman Oxley moved to take action as recommended. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.
11. **Docket No. 70009-295-TT-07 (Record No. 11254) Tariff filing of United Telephone Company of the West, d/b/a Embarq, to reduce the rates for local access lines and consumer and business bundled packages in the Torrington and Guernsey exchanges. Commission to define the Office of Consumer Advocate's issues with this docket and possibly establish a procedural schedule.** Dave Lucero, Commission Counsel, said the OCA has filed a notice of intervention in this docket and has not specifically identified the items at issue. Ivan Williams, OCA, said this docket and Docket No. 70009-294-TT-07, set for hearing on November 2, are similar in nature, and he had spoken with Blair Bales, Commission Counsel assigned to the Sub 295 docket, about consolidation of the two items for hearing purposes. Ms. Bales said this would not be possible as AT&T is an intervenor in one docket but not the other. Bryce Freeman, OCA, said his office has questions regarding assessments for Wyoming Universal Service Funds (USF) and accounting for federal USF in the Torrington and Guernsey exchanges. After further discussion, it was agreed to take no action at this time and hold the docket in abeyance until after the hearing scheduled for Docket No. 70009-294-TT-07.
12. **Docket No. 30010-90-GP-07 (Record No. 11442) Application of Questar Gas Company for authority to pass on a gas cost decrease of \$0.85351 per decatherm through its commodity balancing account.** Jess Bottom, CAS, provided a technical memo dated October 23, 2007. Gary Robinson, Questar Gas Company, said the requested decrease is based on an average of projected gas prices from three nationally-recognized forecasting organizations and is consistent with prior pass-on requests. Mr. Bottom said

this projection method is different from prior methods and, according to the company's tariff, requires approval by the Commission for implementation in this and future applications. Mr. Bottom said he believes the newer method will be more accurate and should result in fewer over- or under-recoveries in the balancing account. There were no further comments or questions. Mr. Bottom recommended the application be approved by Notice and Order, effective immediately, for usage on and after November 1, 2007, and that the revised projection method be approved for use in this and future pass-on applications. Commissioner Byrnes moved to take action as recommended, and Deputy Chairman Oxley seconded the motion. Chairman Lewis was called away from the hearing room during the discussion on this item and recused herself from voting on it.

13. **Docket No. 10013-37-CA-07 (Record No. 11453) Application of Bridger Valley Electric Association, Inc., requesting authority to withdraw and cancel its tariff authorizing the service moratorium in the Eden/Farson area.** Marci Norby, CAS, provided a technical memo dated October 26, 2007. Danny Eyre, Bridger Valley Electric Association, said construction of the new distribution line and substation is virtually complete, and the company anticipates energizing the line within the next two to three weeks. In the meantime, Mr. Eyre said, it is now off-peak season for irrigation and any new service requests can be met. He confirmed there are currently no un-met requests for service and no problems anticipated with requests for irrigation service next season. There were no further comments or questions. Ms. Norby recommended approval of the application by Order only, effective immediately. Deputy Chairman Oxley asked if a Letter Order would be sufficient, and Dave Lucero, Commission Counsel, confirmed it would be. Deputy Chairman Oxley then moved to approval withdrawal and cancellation of the service moratorium by Letter Order. Chairman Lewis seconded the motion and requested at least one Commissioner sign the Letter Order. Commissioner Byrnes was not present for this item.
14. **Multiple Dockets. Discuss issuance of Orders to Show Cause to the following public utilities regarding why their authority to provide utility service in Wyoming should not be cancelled due to noncompliance with Wyoming Law.**

<b><u>Public Service Commission (PSC)--Annual Report</u></b>				
<b>Co. No.</b>	<b>Company Name</b>		<b>Co. No.</b>	<b>Company Name</b>
70042	WWC Holding, Inc.		74626	Telewest IV, Inc.
70044	Tel West Communications, Inc.		74649	AmeriVon LLC
74177	Preferred Carrier Services, Inc.		74657	Yestel USA, Inc.
74604	Yak Communications (America) Inc.		74661	New Horizons Communications Corp
74615	McGraw Communications, Inc.		80002	Red Lane Domestic Water, Inc.
<b><u>Department of Revenue (DOR)—Utility Assessment Report</u></b>				
<b>Co. No.</b>	<b>Company Name</b>		<b>Co. No.</b>	<b>Company Name</b>
74206	Least Cost Routing a/k/a Long Distance Charges		74239	Buehner-Fry, Inc. d/b/a DirectDial USA

<b>PSC--Annual Report (Missing Oath and Verification Page Only)</b>				
<b>Co. No.</b>	<b>Company Name</b>		<b>Co. No.</b>	<b>Company Name</b>
50036	Anschutz Wahsatch Gathering System, Inc.		72003	MCI Network Services, Inc.
70019	Comtel Telcom Assets LP		74015	Comtel Telcom Assets LP
70020	Comtel Telcom Assets LP		74077	Comtel Telcom Assets LP
70092	Comtel Telcom Assets LP		74106	Comtel Telcom Assets LP
<b>PSC &amp; DOR</b>				
<b>Co. No.</b>	<b>Company Name</b>		<b>Co. No.</b>	<b>Company Name</b>
70018	Preferred Carrier Services, Inc		74635	Telmex USA, LLC
74556	ACCXX Communications, LLC {PSC—Missing Oath and Verification Page Only}			

Steve Mink, Commission Counsel, said the listed companies are ones which have failed to file annual reports with the Commission, utility assessment reports with the Department of Revenue, or completed Oath and Verification pages for their annual reports to the Commission, or a combination of these omissions. Mr. Mink said WWC Holding Company, Docket No. 70042, is actually a wireless service provider and is not required to file an annual report with the Commission. Another company, MCI Network Services, Docket No. 72003, is listed in error as it has filed its required reports. Liz Zerga, counsel for WWC Holding Company, verified the docket number assignment is in error, and she will request the number be changed with the Commission's Docketing Section. Mr. Mink said all remaining companies listed are not in compliance with reporting requirements. Art Schmidt, CAS, said he has been working with Red Lane Domestic Water and hopes to have them file a report shortly. There were no further comments or questions. Mr. Mink recommended issuing Orders to Show Cause to all companies listed with the exception of WWC Holding Company and MCI Network Services with a suggested hearing date of December 11, 2007, at 9:00 a.m. Deputy Chairman Oxley moved to take action as recommended. Commissioner Byrnes seconded the motion, and Chairman Lewis concurred.

15. **Undocketed. Commission to consider opening a rule-making proceeding for amended Commission Rule § 238; proposed Commission Rule §§ 252, 325, 420, and 616; and proposed associated forms in Commission Rule § 901(j), (k), (l), (m), and (o). Commission Rule §§ 238, 325, 420, and 616 relate to service interruption reporting. Commission Rule § 252 pertains to the reporting of damage by third parties.** Blair Bales, Commission Counsel, said the recommended changes address reporting rules for service interruptions, third-party damage and updating of forms associated with the rules. Ms. Bales said approval to proceed has been received from both the Attorney General's office and the Governor's office. Dave Piroutek, CAS, said staff is ready to move forward with the proceedings. There were no further comments or questions. Ms. Bales recommended the Commission issue an Order commencing rulemaking regarding these rules. Deputy Chairman Oxley moved to take action as recommended, and Chairman Lewis seconded the motion. Commissioner Byrnes was not present for this item.

- 16. Docket No. 90090-2-XO-07 (Record No. 11475) General Order Interest Rate Calculation of Commission Rule §§ 241(c) and 504(f)(iii) for January 1, 2008 through December 31, 2008. Commission to consider establishment of the 2008 interest rate calculated pursuant to Commission Rule §§ 241(c) and 504(f)(iii).** Marci Norby, CAS, provided a technical memo dated October 15, 2007. Ms. Norby said the memo illustrates the calculations used for the recommended interest rate for 2008 of 6.31%. There were no further comments or questions. Blair Bales, Commission Counsel, recommended the Commission issue a Letter Order establishing the interest rate for the period of January 1, 2008, through December 31, 2008, as 6.31%. Deputy Chairman Oxley moved to act as recommended, and Chairman Lewis seconded the motion. Commissioner Byrnes was not present for this item.

A full audio transcript is available upon request.

Next Open Meeting: Friday, November 16, 2007, at 10:30 a.m.

Prepared by: Deborah McFerrin.

ACCEPTED and APPROVED by the Commission on the 12<sup>th</sup> day of February 2008.

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Kathleen A. "Cindy" Lewis, Chairman