

WYOMING PUBLIC SERVICE COMMISSION

Minutes of Regular Open Meeting
Tuesday, October 4, 2016
1:30 p.m.

Commissioners: Chairman Alan B. Minier
Deputy Chairman William F. Russell
Commissioner Kara Brighton

Greg Weisz, Pence and MacMillan, LLC, Counsel for the City of Sheridan
Bruce Asay, Associated Legal Group, LLC, Counsel for Montana-Dakota
Utilities Company (MDU)

Office of Consumer Advocate (OCA): Ivan Williams

Commission Staff (CS): John Burbridge

CONSENT AGENDA

- 1. Undocketed. Open meeting minutes for review by the Commission for the regular open meetings of July 14, 2016 as prepared by Angie Elliott.**

Chairman Minier introduced the consent item. Deputy Chairman Russell moved to approve the minutes as written. Commissioner Brighton seconded the motion and Chairman Minier concurred.

REGULAR AGENDA

- 1. Docket No. 20004-117-ER-16 (Record No. 14409). Application of Montana-Dakota Utilities Co. (MDU) for a general rate increase in its Wyoming electric utility service rates of \$3,225,447 per annum. Commission to consider and act on *City of Sheridan's Petition to Intervene (Petition)*.** Greg Weisz, Counsel for City of Sheridan, stated the Sheridan office determined the deadline to intervene had passed but requested consent for late intervention because it is in the public interest. John Burbridge, Commission Counsel, stated testimony is due on October 13 by 3 p.m., and Weisz stated the deadline would be met. Weisz advised that Sheridan should be allowed to intervene because Sheridan seeks to protect the interests of its residents from impacts and the interests of Sheridan's residents are not adequately represented by other interveners. Bruce Asay, MDU's Counsel, stated MDU has no objections as long as the scheduling order as presently issued is maintained. Ivan Williams, OCA, stated that OCA has no objections. Williams commented that Sheridan is intervening both as a customer and on behalf of the residents of the City and those two interests do not necessarily align. There were no further questions or comments. Burbridge recommended granting the *Petition* by *Order* only, effective immediately. Deputy Chairman Russell moved to act as recommended. Commissioner Brighton seconded the motion and Chairman Minier concurred.

Prepared by: Sylvia Sanchez

Date of Next Open Meeting: Thursday, October 6, 2016 at 1:30 p.m.

ACCEPTED and APPROVED by the Commission on November 17, 2016

Chairman Alan B. Minier

WYOMING PUBLIC SERVICE COMMISSION

Minutes of Regular Open Meeting
Thursday October 6, 2016
1:30 p.m.

Commissioners: Chairman Alan B. Minier
Deputy Chairman William F. Russell
Commissioner Kara Brighton

Jerrad Hammer, Director, Regulatory, Black Hills Gas Distribution, LLC
Douglas Law, Deputy General Counsel, Black Hills Energy (by telephone)
Steve Coleman, Manager, Design Engineering, Black Hills Energy (by
telephone)

Charles Benson, Managing Partner, etaPartners, LLC (by telephone)
Barrie McKay, Director of Customer Rates and Regulation, Questar Gas
Company

Austin Summers, Supervisor of Regulatory Affairs, Questar Gas Company
Brady Rasmussen, Vice President and General Manager, Wexpro
Alex Moyes, Manager Geological Science and Engineering Team,
Wexpro

Mike Neese, Supervisor Budget and Planning, Wexpro
Jenniffer Clarke, Corporate Counsel, Questar Gas Company

Office of Consumer Advocate (OCA): Ivan Williams

Commission Staff (CS): Lori Brand, Michelle Bohanan, Marci Norby, John
Burbridge, Luy Luong and Chris Petrie

REGULAR AGENDA

1. **Docket Nos. 30003-69-GA-16; 30005-213-GA-16; 30011-94-GA-16 & 30022-267-GA-16 (Record No. 14363). Joint Application of Cheyenne Light, Fuel and Power; Black Hills Energy, a Division of Cheyenne Light, Fuel and Power Company; Black Hills Northwest Wyoming Gas Utility Company, LLC; and Black Hills Gas Distribution, LLC (Joint Applicants) for an Accounting Order to establish individual regulatory assets for the cost of compliance with the new Wobbe Index Rules. Commission to consider and act on *Motion to Withdraw Joint Application without Prejudice and Request for Order Terminating the Pending Procedural Schedule (Motion)*. Jerrad Hammer, Black Hills Gas Distribution's (BHGD or the Company) Director of Regulatory, explained the Joint Applicants filed the underlying application to establish FERC accounts for regulatory assets due to what the Joint Applicants characterized as an extraordinary cost of compliance with the new Wobbe Index and change in service rules. Hammer stated the *Motion* is a result of engaging in extensive conversations with Commission Staff and the OCA, and seeing presentations and memos on Wobbe matters, which helped to develop an informed understanding of how to approach compliance with the Wobbe Index Rules. Hammer stated the Joint Applicants met with Staff on October 6, 2016 to discuss data provisions for the Wobbe Indexes. Based on a new understanding, Hammer concluded the Joint**

Applicants would narrow the scope of review and re-establishing Wobbe Indexes to two areas: (1) the Cheyenne area; and (2) Northeast Wyoming, which includes both the Northeast Wyoming utility owned by Black Hills and the Black Hills Gas Distribution facility. Through a revised study, the Company will look at historical data to establish a baseline, which will be paid for by the Company and the Company will not seek reimbursement. Hammer stated the study proposal was submitted as a supplement. Following the results from the study, if potential measures or projects are identified, BHGD will bring an asset request before the Commission. He said, on that basis, BHGD agreed to withdraw its *Application*. There were no further questions. Ivan Williams, OCA, commented that Hammer correctly represented the process over the last few months. Lori Brand, Commission Counsel, recommended granting the *Motion* and the *Request* to terminate the procedural schedule, as well as close the dockets, by *Order* only, effective immediately. Deputy Chairman Russell moved to act as recommended. Commissioner Brighton seconded the motion and Chairman Minier concurred.

2. **Undocketed: Commission to receive presentation from representatives of Questar Gas and Wexpro. Expected topics include:**
- A. **2015-2016 IRP Year production**
 - B. **Review of 2016 Wexpro drilling program vs. 5 year-curve**
 - C. **Wexpro 2016 Headcount reductions**
 - D. **O&M and G&A Reductions**
 - E. **Trail Compression Project**
 - F. **Wexpro II Opportunities and Strategy**

Barrie McKay, Questar's Director of Rates and Regulation, began by explaining Questar is complying with the 2015 *Order* regarding Canyon Creek whereby it agreed to report to the Commission once per year. Brady Rasmussen, Wexpro's Vice President and General Manager, provided a summary of each expected topic with an accompanied slide presentation. He noted there would be some confidential material and would alert the Commission at the appropriate time.

- A. **2015-2016 IRP Year production.** –Rasmussen stated Wexpro received 61% of Questar's overall gas supply. McKay interjected that the key thing in Questar's last two stipulations is the 65% or less gas portfolio in the Trail Unit Stipulation, and the negotiated 55% or less gas portfolio beginning in 2020 in the Canyon Creek Stipulation. McKay stated that over time it is anticipated that Wexpro II volumes will continue to grow and Wexpro I will likely shrink.
- B. **Review of 2016 Wexpro drilling program vs. 5 year-curve.** –Rasmussen explained the calculation of the forward curves using the New York Mercantile Exchange (NYMEX) monthly price on a 60-month basis and the Northwest pipeline Rockies basis as the differential against the NYMEX price to complete the calculation to determine the 5-year curve, so the difference in that is the Rockies adjusted price, which was a negative basis. He stated that calculation results in the Rockies overall price. He said following those calculations, the 60-month average on the Rockies adjusted price is determined, which is the monthly traded stated price every day for five years. He explained that the 60-month average removes

some volatility by using a trailing 20-day period to determine the five-year curve. Rasmussen discussed those calculations are what the Company would compare when it came before the Commission for approval for a drilling program. Rasmussen said Wexpro uses two drilling programs: operated and non-operated. He explained that when Wexpro commits to a non-operated drilling program it sends an operator out for another drilling program Wexpro is participating in on the same day Wexpro is doing its own drilling program, so it contracts out a rig. Rasmussen explained that is the day the Company will compare against the 20-day trailing average curve. McKay interjected explaining this calculation changes every day and is memorialized once per year. Rasmussen provided additional details about the drilling programs.

C. Wexpro 2016 Headcount reductions. Rasmussen stated in response to lower gas prices, it implemented a voluntary separation plan for employees. He said there were six terminations, 14 employees took advantage of the plan and there was one new hire, bringing the headcount down from 143 in 2015 to 124 employees. He provided details as to costs, as well as stated the cost of the program was not passed through to consumers. Rasmussen estimated a \$2.5 million savings for 2017 as compared to the previous year. Luy Luong, CS, asked how much was accounted for in Wexpro and how much was part of the Dominion merger. Rasmussen responded this was implemented prior to the merger to make the cost of service more competitive. McKay added from the point of the merger, there is a voluntary separation that was announced and will be going into effect for shared service areas at the corporate level that is completely separate.

D. Operations & Maintenance and General & Administrative Reductions. Rasmussen provided details for each category, noting shared savings is trending down in 2017. Deputy Chairman Russell asked Rasmussen about the reduction in workovers and repairs between 2014 and 2015. In response, Rasmussen said workovers came up between 2014 and 2015 as needed, but in 2014 the Company implemented a program to lower use of tubing for increased production, which was a beneficial workover cost expensed to time and not capital. McKay noted the projections for shared corporate costs is listed at the same amounts as in 2014 and 2015, which goes to heart of merger commitments and still needs to be forecasted once a methodology is determined, but the Company wants to reduce the costs.

At this time, the meeting went into confidential session. No action by the Commission was required.

Prepared by: Barbara Tomlinson

Date of Next Open Meeting: Thursday, October 13, 2016

ACCEPTED and APPROVED by the Commission on November 29, 2016.

Chairman Alan B. Minier

WYOMING PUBLIC SERVICE COMMISSION

Minutes of Regular Open Meeting
Thursday October 13, 2016
1:30 p.m.

Commissioners: Chairman Alan B. Minier
Deputy Chairman William F. Russell
Commissioner Kara Brighton

Alan Stoinski, Manager of Energy Efficiency, Black Hills Energy (BHE)
Fred Stoffel, Director of Regulatory Affairs, BHE
Kevin Opp, Corporate Counsel, BHE (by telephone)
Shirley Welte, Vice President of Operations, BHE
Jane Montoya, Customer Service Operations, BHE
Mark Carda, Manager Electrical Engineering, Black Hills Power (BHP) (by telephone)
Peter A. Larsen, Landowner (by telephone)
Amy Koenig, Deputy General Counsel, BHP (by telephone)
Isaac Sutphin, Holland and Hart, LLP, Counsel for BHP
John Schumacher, White & White, P.C., Local Counsel for High Plains Power, Inc. (by telephone)
Marlene Morss, Chief Executive Officer, High Plains Power, Inc. (by telephone)
Jon Mayes, Chief Financial Officer, High Plains Power, Inc. (by telephone)
Dean Goggles, Chairman, Northern Arapaho Business Council (by telephone)
Berthenia S. Crocker, Baldwin, Crocker & Rudd, P.C., Counsel for Northern Arapaho Business Council (by telephone)
MJ Vuinovich, Baldwin, Crocker & Rudd, P.C., Counsel for Northern Arapaho Business Council (by telephone)

Office of Consumer Advocate (OCA): Bryce Freeman

Commission Staff (CS): Lori Brand, Melisa Mizel, John Burbridge, Katie Koski, Morgan Fish, Kara Seveland, Dave Walker, Luy Luong and Perry McCollom

CONSENT AGENDA

- 1. Undocketed. Open meeting minutes for review by the Commission for the regular open meetings of July 21, 28, August 4, and 11, 2016 as prepared by Barbara Tomlinson and Sylvia Sanchez.**
- 2. Docket No. 74633-11-TA-16 (Record No. 14497). The indirect transfer of ownership of Inmate Calling Solutions, LLC d/b/a ICSolutions to TKC Holding, Inc. Commission to consider and act on Inmate Calling Solutions, LLC's *Petition for Confidential Treatment (Petition)*.**
- 3. Docket No. 74727-1-TX-16 (Record No. 14565). Registration and Tariff Filing of**

GoDaddy.com, LLC to provide Interexchange Reseller Telecommunications Services in Wyoming. Commission to consider acceptance of the Registration and Tariff Filing.

4. **Docket No. 10014-172-CP-16 (Record No. 14441). Application of Powder River Energy Corporation for authority to increase its Cost of Power Adjustment by \$18,393,590 per annum to reflect a change in average wholesale power costs. Commission to consider and act on *Petition for Confidential Treatment of Discovery Documents and Protective Order (Petition)* and *Motion for Admission Pro Hac Vice of James K. Tarpey (Motion)*.**

Chairman Minier introduced the consent items. For Item #1, Deputy Chairman Russell moved to approve the minutes as written. Commissioner Brighton seconded the motion and Chairman Minier concurred. For Item #2, Lori Brand, Commission Counsel, recommended granting the *Petition* by *Letter Order*, effective immediately. For Item #3, Brand recommended acceptance of the Registration and Tariff Filing by *Letter Order* only, effective immediately. For Item #4, she recommended granting the *Petition* and *Motion* by *Order* only effective immediately. Deputy Chairman Russell moved to act as recommended. Commissioner Brighton seconded the motion and Chairman Minier concurred.

REGULAR AGENDA

1. **Docket No. 20003-151-EA-16 (Record No. 14462) Application of Cheyenne Light, Fuel and Power Company d/b/a Black Hills Energy for authority to increase the budget for Commercial Electric Prescriptive, Custom and Small Business Direct Install Energy Efficiency Programs for 2016, 2017 and 2018. Commission to consider and act on Black Hills Energy's Application and *Petition for Confidential Treatment of Exhibit 8 to Application* filed on July 26, 2016 (*Petition*).** Kara Seveland, CS, provided a technical *Memo* dated October 7, 2016. Fred Stoffel, BHE's Director of Regulatory Affairs, provided a summary of the application, stating in late June, the Company recognized a significant demand for the commercial DSM electric programs and had already spent the budgeted amount for this year. As a result of the demand, the Company requested to double the budget for the next three years for only the three electric programs named in the application. Stoffel stated there would be no immediate rate impact and the Company is not seeking to increase the surcharge. To the extent there is any increased expense, Stoffel stated the Company would true it up in the deferred account next year. He said the programs will meet the total resource cost test to pay for themselves over the long-term. Deputy Chairman Russell questioned whether doubling the budget now, but not increasing the surcharge until next year would possibly cause a rate shock. Stoffel responded no, referring to page 5 of his filed testimony, because the impact is minimal and only affects one class of customers. Lori Brand, Commission Counsel, asked if the Company will cap the program if it goes over budget again or if there would be changes to the incentives. Alan Stoinski, BHE's DSM Program Manager, stated the Company has already instituted rebate caps at \$20,000.00 per account and customers are still happy with the program. There were no further questions or comments. Brand recommended approval of the application and granting the *Petition* by *Order* only, effective immediately. Deputy

Chairman Russell moved to act as recommended. Commissioner Brighton seconded the motion and Chairman Minier concurred.

2. **Docket No. 20002-95-EA-14 (Record No. 13933). Application of Black Hills Power, Inc. (BHP), for a certificate of public convenience and necessity for a 230 kV transmission line and associated substation modifications (Project). Commission to consider and act on BHP's request for permission to construct 19.5 miles of the project located between the Osage substation and the Wyoming/South Dakota state line.** Perry McCollom and Dave Walker, CS, provided a technical *Memo* dated October 6, 2016. Amy Koenig, BHP's Deputy General Counsel, explained the Company is seeking authority to initiate construction of the last segment of the Teckla-Osage 230 kv transmission line, spanning from the Osage substation to the Wyoming/South Dakota state border, which is 19.5 miles in length. She stated the route presented in the pending application is materially different than the route approved in the July 2015 Order, noting the Company accommodated landowner requests for route changes, as depicted in Exhibit 1 (hard copy). She said the route was moved south and all easements have been secured. Koenig stated BHP worked with Commission Staff to draft notices to all landowners as well as those within 2,000 feet of the transmission line. She said four notices were returned undelivered, likely due to deaths, sale of property, or incorrect mailing information. However, the Company has made contact with the exception of one landowner whose property does not fall within the 2,000-foot buffer. BHP states it has fully complied with notice and all other requirements. BHP commented it will commence construction, if approved, on October 17 or 18, 2016. Koenig stated Peter A. Larsen, a resident and affected landowner, filed written comments to the application and communicated his dissatisfaction with the Environmental Impact Statement (EIS) process to all agencies. Koenig reported that Larsen filed a complaint with the Office of Inspector General (OIG). The Company categorically denies Larsen's allegations, but the Company stated Larsen has no further remedy before the Commission, and instead any potential remedy would derive from the OIG investigation. John Burbridge, Commission Counsel, asked if the request is granted, would the Company be willing to notify the Commission one week prior to construction of the transmission line crossing Highway 85. Koenig responded BHP would be willing to provide that notification. Larsen read a statement outlining his objections stating there is an ongoing investigation by the US Department of Agriculture Office of the Inspector General for BHP's activity in preparing the EIS. Chairman Minier explained to Larsen that the Commission's authority is limited in this regard. There were no further questions or comments. Burbridge recommended approval of the application with the condition provide at least one week's notice prior to crossing Highway 85, as discussed, by *Order* only, effective immediately. Deputy Chairman Russell moved to act as recommended. Commissioner Brighton seconded the motion and Chairman Minier concurred.

3. **Undocketed: Commission to consider initiating an investigation pursuant to Wyo. Stat. 37-2-117, of the acts and practices of High Plains Power, Inc. related to discontinuation of service to customers.** Christopher Petrie, Commission's Secretary and Chief Counsel, explained the issue began with a complaint letter from the Northern Arapaho Business Council (Business Council) dated August 10, 2016, regarding revised notice and disconnection practices of High Plains Power. He said following this letter, High Plains Power (HPP or Cooperative) responded that disconnection practices were changed due to lengthy periods in the winter when no disconnection for non-payment could take place. Petrie said this grievance occurs during the transition period from the Commission's

previous set of Rules to its revised Rules and High Plains Power has now filed its proposed tariffs to comply with the new rules. Petrie said there was subsequent correspondence from the Business Council, stating there are still issues outstanding with regard to notice practices and the Northern Arapaho Tribe is requesting the Commission open an investigation pursuant to statute. MJ Vuinovich, the Business Council's Counsel, thanked HPP for reaching out and updating the disconnection notice, but noted there are ongoing concerns about disconnection procedures, due process and what the Cooperative is doing to help the elderly and mitigate disconnection fees due to improper notice. She provided additional details of examples of improper disconnections. John Schumacher, HPP's Counsel, responded that HPP does not believe an investigation is warranted and noted all of its members are treated equally. He stated in the Cooperative's August 30, 2016, written response to the Business Council, it acknowledged problems with the disconnection form and quickly corrected those errors to comply with the Commission's Rules. Schumacher stated that since May 20, 2016, there were 3,866 notices mailed for a potential disconnect due to a failure to remit payment. Of the 3,866 notices there were only 246 resulting disconnects. Schumacher commented that less than 1% or 42 members remain disconnected—only 34% to 67% are members on the Reservation (there is a current dispute as to the Reservation's boundaries). Schumacher stated that HPP attempted to accommodate individuals needing assistance to the extent it could before disconnecting. Further, Schumacher commented that HPP is not financially able to send employees out to all locations for personal service of disconnection notices, but during the winter it does provide personal notice in compliance with the Commission's Rules. In response to the concern of disconnection when there was a deposit, Schumacher stated deposits are not advance payment, but instead are required to protect the utility in the event of non-payment. Schumacher also stated HPP is willing to meet with the Business Council to resolve the issues. Deputy Chairman Russell asked about whether the Cooperative and the Business Council could work together to address any remaining concerns. Schumacher stated he believes the two Parties could sit together and resolve any remaining issues. Petrie asked whether there was any member disconnected that would have been entitled to additional time due to a medical condition. Schumacher stated the Cooperative was only aware of a handicapped individual that would have been entitled to extra days, but HPP was never made aware of the handicap. Vuinovich stated there are additional concerns but if the Commission decides to have the Parties meet informally to resolve the remaining issues that the Business Council requests a representative from the Commission be present. Chairman Minier stated the Commission is not able to provide representatives to attend broadly focused meetings. He said these types of grievances are routinely handled through the Commission's complaint department and suggested the parties whose issues remain unresolved call Shirley McCown, the Complaints Analyst, to assist. Deputy Chairman Russell stated these issues can probably be resolved informally by the parties and more properly settled through a complaint process or a contested case. Commissioner Brighton stated an investigation is premature and duplicative, as the Company has filed its revised tariffs to comply with the Commission's newly revised rules and the allegations are non-specific. Commissioner Brighton encouraged the Business Council to participate in the Company's tariff filing, and stated the complaint process is an effective way to address specific customer issues. Chairman Minier moved to decline to initiate an investigation with the suggestion the complaint process is utilized as appropriate. He further invited the Business Council to be involved in the formal docket reviewing the proposed tariffs for HPP and to continue with informal discussions with the Cooperative. Deputy Chairman Russell seconded the motion and Commissioner Brighton concurred.

Prepared by: Barbara Tomlinson

Date of Next Open Meeting: Tuesday, October 18, 2016

ACCEPTED and APPROVED by the Commission on December 22, 2016.

Chairman Alan B. Minier

WYOMING PUBLIC SERVICE COMMISSION

Minutes of Regular Open Meeting
Tuesday October 18, 2016
1:30 p.m.

Commissioners: Chairman Alan B. Minier
Deputy Chairman William F. Russell
Commissioner Kara Brighton

Thomas A. Nicholas, Hirst Applegate, LLP, Counsel for Powder River
Energy Corporation (PRECorp)
Philip J. Roselli, Wilkinson, Barker, Knauer, LLP, Counsel for Intervenors
in Docket No. 10014-172-CP-16 (by telephone)

Commission Staff: Steve Mink, Tom Wilson, John Burbridge, Kara
Seveland, Katie Koski, Morgan Fish and Dave Walker.

CONSENT AGENDA

1. **Undocketed. Open meeting minutes for review by the Commission for the regular open meeting of August 9, 2016 as prepared by Sylvia Sanchez.**
2. **Docket No. 70000-1630-TA-16 (Record No. 14457). Qwest Corporation d/b/a CenturyLink QC, 2016 annual eligible telecommunications carrier certification. Commission to consider and act on *Petition for Confidential Treatment* filed on September 16, 2016 (*Petition*).**
3. **Docket No. 70003-176-TA-16 (Record No. 14449). CenturyTel d/b/a CenturyLink, 2016 annual eligible telecommunications carrier certification. Commission to consider and act on *Petition for Confidential Treatment* filed on September 16, 2016 (*Petition*).**
4. **Docket No. 70009-468-TA-16 (Record No. 14450). United Telephone Company of the West d/b/a CenturyLink, 2016 annual eligible telecommunications carrier certification. Commission to consider and act on *Petition for Confidential Treatment* filed on September 16, 2016 (*Petition*).**
5. **Docket No. 74513-4-TT-16 (Record No. 14568). Notification of Total Call International to cancel its Interexchange Registration and Tariffs. Commission to consider acceptance of the Notification for filing.**
6. **Docket No. 30003-71-GK-16 (Record No. 14490). Black Hills Energy, a division of Cheyenne Light, Fuel and Power Company filing of annual Gas Purchase Contracts and Service Agreement. Commission to consider acceptance of contracts and agreement for filing, and to consider and act on *Petition for Confidential Treatment of Exhibits 5 and 6 to Annual Filing of Gas Commodity Contracts (Petition)*. Kara Seveland, CS, provided a technical *Memo* dated October 10, 2016.**

Chairman Minier introduced the consent items. For Item #1, Deputy Chairman Russell moved to approve the minutes as written. Commissioner Brighton seconded the motion and Chairman Minier concurred. For Items #2, #3, and #4, Steve Mink, Commission Counsel, recommended granting the *Petitions* by *Order* only, effective immediately. For Item #5, Mink recommended acceptance of the notification for filing. For Item #6, he recommended acceptance of the contracts and agreement and granting the *Petition* by *Order* only, effective immediately. Deputy Chairman Russell moved to act as recommended. Commissioner Brighton seconded the motion and Chairman Minier concurred.

REGULAR AGENDA

1. **Docket No. 70009-471-TT-16 (Record No. 14506). Price Schedule Filing of United Telephone Company of the West d/b/a CenturyLink of the West to discontinue Operator Inward Assistance Service. Commission to consider and act on Application.** Thomas Wilson, CS, provided a technical *Memo* dated October 14, 2016. Katie Koski, Commission Counsel, recommended tabling this item until October 20, 2016 as representatives from the Company were not able to appear today. Deputy Chairman Russell moved to act as recommended. Commissioner Brighton seconded the motion and Chairman Minier concurred.

2. **Docket No. 10014-172-CP-16 (Record No. 14441). Application of Powder River Energy Corporation (PRECorp) for authority to increase its Cost of Power Adjustment (COPA) by \$18,393,590 per annum to reflect a change in average wholesale power costs. Commission to consider and act on PRECorp's *Petition for Exception to Tariff (Petition)*.** Tom Nicholas, PRECorp's Counsel, explained the Commission directed the Company to file this application to effect a waiver of the COPA tariff for this cycle. He said PRECorp has already filed its application for the COPA pass on and an order was entered suspending those rates but there are intervenors in the matter. He stated the parties are actively exchanging discovery and a hearing is set for January 31, 2017. He said the matter is progressing and respectfully suggested PRECorp did not intend to avoid addressing something that might be required. Nicholas said filing was caused by Basin Electric, a supplier, instituting a mid-cycle pass on and it is currently charging the approved rates subject to refund. He said PRECorp could not sustain a period of time during which it is paying increased rates but yet cannot charge customers. Nicholas concluded that the intervenors said they will not file anything in opposition and there will be a full presentation by the parties at the hearing. John Burbridge, Commission Counsel, explained the purpose of the *Petition* is PRECorp's tariffs do not allow for a midstream COPA filing, and when argument was heard for the interim rates the Commission discussed whether there needed to be a waiver of the tariff. He noted there is no opposition to this *Petition* and the intervenors' preserve their rights. Philip J. Roselli, Counsel for Intervenors, stated the intervenors are not filing anything in opposition with regard to the tariff waiver, but want to note and preserve objection to COPA. There were no further questions or comments. Burbridge recommended granting the *Petition* with the clarification this is a waiver of tariff to allow for a midstream COPA filing, by *Order* only, effective immediately. Deputy Chairman Russell moved to act as recommended. Commissioner Brighton seconded the motion and Chairman Minier concurred.

Prepared by: Barbara Tomlinson

Date of Next Open Meeting: Thursday, October 20, 2016

ACCEPTED and APPROVED by the Commission on December 22, 2016.

Chairman Alan B. Minier