

At the meeting of the Public Service Commission of the State of Montana held at the Commission's Offices in Helena, Montana, on Monday, January 3, 2011, the following members were present:

Brad Molnar, Acting Chairman
Bill Gallagher, Commissioner
Gail Gutsche, Commissioner
Travis Kavulla, Commissioner
John Vincent, Commissioner

(1) Election of new Public Service Commission officers: Acting Chairman Molnar opened the proceedings for nominations of Chairman.

MOTION 1: Commissioner Gallagher nominated Commissioner Molnar as Chairman. The nomination failed with Commissioners Molnar and Gallagher voting Aye, Commissioners Vincent and Gutsche voting Nay, and Commissioner Kavulla abstaining.

MOTION 2: Commissioner Vincent nominated Commissioner Gutsche as Chairman. The nomination failed with Commissioners Gutsche and Vincent voting Aye and Commissioners Molnar, Gallagher and Kavulla voting Nay.

MOTION 3: Commissioner Gallagher nominated Commissioner Molnar as Chairman. The nomination failed with Commissioners Molnar and Gallagher voting Aye, Commissioners Vincent and Gutsche voting Nay, and Commissioner Kavulla abstaining.

MOTION 4: Commissioner Vincent nominated Commissioner Gutsche as Chairman. The nomination failed with Commissioners Gutsche and Vincent voting Aye and Commissioners Molnar, Gallagher and Kavulla voting Nay.

MOTION 5: Commissioner Gallagher nominated Commissioner Molnar as Chairman. The nomination failed with Commissioners Molnar and Gallagher voting Aye, Commissioners Vincent and Gutsche voting Nay, and Commissioner Kavulla abstaining.

MOTION 6: Commissioner Vincent nominated Commissioner Gutsche as Chairman. The nomination failed with Commissioners Gutsche and Vincent voting Aye and Commissioners Molnar, Gallagher and Kavulla voting Nay.

(2) In the matter of closing the nominations:

Commissioner Molnar moved to CLOSE the nominations. Commissioner Vincent seconded the motion, which passed unanimously.

(3) In the matter of reopening the nominations:

Commissioner Kavulla moved to REOPEN nominations. Commissioner Gutsche seconded the motion, which passed 4-1. Commissioner Molnar voted Nay.

(4) Election of new Public Service Commission Officers:

MOTION 1: Commissioner Kavulla nominated Commissioner Gallagher as Chairman. Commissioner Gallagher declined the nomination.

MOTION 2: Commissioner Kavulla nominated Commissioner Gallagher as Chairman. Commissioner Gallagher declined the nomination for a second time.

(5) In the matter of closing the nominations:

Commissioner Molnar moved to CLOSE the nominations. Commissioner Gallagher seconded the motion, which failed 2 to 3. Commissioners Gutsche, Vincent and Kavulla voted Nay.

(6) In the matter of stand at ease:

Commissioner Vincent moved to STAND AT EASE until 2:00 p.m. Commissioner Gutsche seconded the motion, which passed unanimously.

(7) Election of new Public Service Commission Officers:

MOTION 1: Commissioner Gallagher nominated Commissioner Molnar as Chairman. The nomination failed with Commissioners Molnar and Gallagher voting Aye, Commissioners Vincent and Gutsche voting Nay, and Commissioner Kavulla abstaining.

MOTION 2: Commissioner Vincent nominated Commissioner Gutsche as Chairman. The nomination failed with Commissioners Gutsche and Vincent voting Aye and Commissioners Molnar, Gallagher and Kavulla voting Nay.

MOTION 3: Commissioner Kavulla nominated Commissioner Gallagher as Chairman. Commissioner Gallagher declined the nomination.

(8) In the matter of closing the nominations:

Commissioner Vincent moved to CLOSE nominations. Commissioner Gutsche seconded the motion, which passed 4-1. Commissioner Kavulla voted Nay.

(9) In the matter of recess:

Commissioner Molnar moved to RECESS until 2:50 p.m.

(10) Election of new Public Service Commission Officers:

MOTION 1: Commissioner Gallagher nominated Commissioner Molnar as Chairman. The nomination failed with Commissioners Molnar and Gallagher voting Aye, Commissioners Vincent and Gutsche voting Nay, and Commissioner Kavulla abstaining.

MOTION 2: Commissioner Vincent nominated Commissioner Gutsche as Chairman. The nomination failed with Commissioners Gutsche and Vincent voting Aye and Commissioners Molnar, Gallagher and Kavulla voting Nay.

The acting chair SUSPENDED the organizational meeting until the Tuesday work session.

At the meeting of the Public Service Commission of the State of Montana held at the Commission's Offices in Helena, Montana, on Tuesday, January 4, 2011, the following members were present:

Brad Molnar, Acting Chairman
Bill Gallagher, Commissioner
Gail Gutsche, Commissioner
Travis Kavulla, Commissioner
John Vincent, Commissioner

APPEARANCE

Kate Whitney, Administrator,
Regulatory Division

(11) In the matter of the approval of Commission Minutes for the week of November 29, 2010.

Commissioner Kavulla moved to APPROVE the Minutes for the week of December 13, 2010. Commissioner Gutsche seconded the motion, which passed unanimously.

APPEARANCE

Eric Dahlgren, Regulatory Division

(12) In the matter of T-10.39.OTSC: On November 22, 2010, an Order to Show Cause was issued to Joann Margaret Koepke d/b/a Big Sky Transportation Services, Seeley Lake Montana, PSC No. 9449.

Commissioner Vincent moved to CANCEL PSC No. 9449. Commissioner Gutsche seconded the motion, which passed unanimously.

(13) In the matter of TN2487: Brawn, Inc., Helena, Montana, requests permission to continue the lease of PSC No. 2278 to Vance Vanderpan d/b/a Greater Valley Taxi, Belgrade, Montana for a twelve month period, January 2, 2011 to January 2, 2012.

Commissioner Gallagher moved to APPROVE the continued lease of PSC 2278 as requested. Commissioner Vincent seconded the motion, which passed unanimously.

(14) In the matter of TN2488: James A. Jones d/b/a Oilfield Maintenance Company, Gillette, Wyoming requests permission to continue the lease of PSC No. 9297 to G & G Garbage, Inc., Baker, Montana for a twelve month period, December 28, 2010, to December 28, 2011.

Commissioner Molnar moved to APPROVE the continued lease of PSC No. 9297 as requested. Commissioner Gutsche seconded the motion, which passed unanimously.

APPEARANCE

Kate Whitney, Administrator,
Regulatory Division
Joel Tierney, Regulatory Division
Justin Kraske, Legal Division

(15) In the matter of the Commission's discussion of Keystone XL Pipeline, comments on Department of Environmental Quality/Montana Consumer Council rate impact study.

Commissioner Kavulla moved to ISSUE a one page comment to the Department of Environmental Quality concurring with the report and taking particular note of the same that the Montana Consumer Council takes note that infrastructure cost will be borne by the developer, Keystone. Commissioner Vincent seconded the motion, which passed 3-2. Commissioner Gallagher and Commissioner Molnar voted Nay.

APPEARANCE

Kate Whitney, Administrator,
Regulatory Division

(16) In the matter of the Commission's discussion of Staff out-of- state travel.

Commissioner Kavulla moved to APPROVE Brian DeKiep's travel to Boise, Idaho, to attend the Northern Tier Transmission Group's stakeholders meeting on February 2, 2011. Commissioner Gutsche seconded the motion, which passed unanimously.

APPEARANCE

Kate Whitney, Administrator,
Regulatory Division
Staci Litschauer, Administrator,
Centralized Services
Eric Dahlgren, Regulatory Division
Al Brogan, Administrator,
Legal Division

(17) In the matter of the Commission's discussion of Legislative matters: Discuss bills relevant to Public Service Commission mission, statutory authority, administrative process and general agency concerns. Consider staff analysis and recommendations. Provide direction for Public Service Commission response to bills.

Commissioner Kavulla asked to TABLE HB 62 until the Thursday meeting for decision. Staff discussed HB 60, HB 78, HB 92, HB 104, LC328, LC 1089, LC 1090, LC 1091 and SB 62. No objections were made by the Commission.

Staci Litschauer discussed the budget and the need to present the budget to the appropriations committee. Staci will represent the Commission at the Appropriations committee meeting with

Commissioner Gutsche, the chairman-elect, Al Brogan and Kate Whitney attending.

MOTION 1: Commissioner Gallagher moved to REQUEST the elected official proposal 4% vacancy savings. Commissioner Gutsche seconded the motion, which passed unanimously.

MOTION 2: Commissioner Kavulla moved to NOT REQUEST all staff salary increased to 100% of market. The motion died due to a lack of second.

MOTION 3: Commissioner Vincent moved to PRESENT the request that all staff be moved to 100% of market. Commissioner Gutsche seconded the motion.

AMENDED MOTION: Commissioner Gallagher AMENDED Commissioner Vincent's motion to APPROVE the request subject to any rate increase for state employees to achieve market. Commissioner Vincent agreed to amend his motion, which passed 4-1. Commissioner Kavulla voted Nay.

Election of new Public Service Commission officers: Acting Chairman Molnar opened the proceedings for nominations of Chairman.

(18) In the matter of the reopening of nominations of new Public Service Commission officers:

MOTION 1: Commissioner Kavulla moved to REOPEN nominations. Commissioner Vincent seconded the motion. Commissioner Kavulla deferred his motion.

SUBSTITUTE MOTION: Commissioner Gallagher moved to VOTE on original slate of nominees. Commissioner Vincent seconded the motion, which passed unanimously.

MOTION 2: Commissioner Gallagher nominated Commissioner Molnar as Chairman. The nomination failed with Commissioners Molnar and Gallagher voting Aye, Commissioners Vincent and Gutsche voting Nay, and Commissioner Kavulla abstaining.

MOTION 3: Commissioner Vincent nominated Commissioner Gutsche as Chairman. The nomination failed with Commissioners Gutsche and Vincent voting Aye and Commissioners Molnar, Gallagher and Kavulla voting Nay.

MOTION 4: Commissioner Kavulla nominated himself. Commissioner Kavulla withdrew his motion.

(19) In the matter of reopening the nominations:

Commissioner Kavulla moved to REOPEN nominations. Commissioner Vincent seconded the motion, which passed unanimously.

(20) In the matter of the Blue Book rules:

MOTION 1: Commissioner Gallagher moved to temporarily SUSPEND the Blue Book rules against nominating the chair and vice chair in tandem. Commissioner Kavulla seconded the motion, which failed 2-3. Commissioners Gutsche, Kavulla and Vincent voted Nay.

ALTERNATIVE MOTION: Commissioner Kavulla moved to VOTE first for the vice-chairman and then the Chairman. Commissioner Gallagher seconded the motion, which passed with a vote of 3-2. Commissioners Gutsche and Vincent voted Nay.

(21) In the matter of closing nominations:

Commissioner Gallagher moved to CLOSE nominations. Commissioner Kavulla seconded the motion, which passed unanimously.

(22) In the matter of election of Chairman.

MOTION 1: Commissioner Kavulla nominated Commissioner Molnar as Vice Chairman. The nomination passed with a 3-2 vote. Commissioners Vincent and Gutsche voted Nay.

MOTION 2: Commissioner Vincent nominated Commissioner Gutsche as Vice Chairman. There was no vote taken.

(23) In the matter of closing nominations:

MOTION 1: Commissioner Kavulla moved to CLOSE nominations. Commissioner Gallagher seconded the motion, which passed unanimously.

MOTION 2: Commissioner Vincent nominated Commissioner Gutsche as Chairman. The nomination failed with a 2 to 3 vote. Commissioners Molnar, Kavulla and Gallagher voted Nay.

MOTION 3: Commissioner Kavulla nominated Commissioner Gallagher as Chairman. The nomination passed 4-1. Commissioner Gutsche voted Nay.

(24) In the matter of adjourn meeting:

Commissioner Gallagher moved to ADJOURN organizational meeting. Commissioner Kavulla seconded the motion, which passed unanimously.

There being no further business to come before the Commission the meeting was adjourned.

W. A. GALLAGHER, Chairman

BRAD MOLNAR, Vice Chairman

GAIL GUTSCHE, Commissioner

TRAVIS KAVULLA, Commissioner

JOHN VINCENT, Commissioner

ATTEST:

Verna Stewart
Commission Secretary

(SEAL)

At the meeting of the Public Service Commission of the State of Montana held at the Commission's Offices in Helena, Montana, on Thursday, January 6, 2011, the following members were present:

Bill Gallagher, Chairman
Brad Molnar, Vice Chairman
Gail Gutsche, Commissioner
Travis Kavulla, Commissioner
John Vincent, Commissioner, via telephone

(25) In the matter of House Bill 23 for the 2011 Legislative Session.

Commissioner Vincent moved to MONITOR and take no position on HB 23. Commissioner Gutsche seconded the motion, which passed unanimously.

(26) In the matter of Senate Bill 53 for the 2011 Legislative Session.

Commissioner Molnar moved to MONITOR and take no position on SB53. Commissioner Kavulla seconded the motion, which passed unanimously.

(27) In the matter of House Bill 60 for the 2011 Legislative Session.

Commissioner Gutsche moved to SUPPORT HB 60. Commissioner Kavulla seconded the motion, which passed unanimously.

(28) In the matter of House Bill 62 for the 2011 Legislative Session.

Commissioner Gallagher moved to SUPPORT HB 62. Commissioner Vincent seconded the motion, which passed 4-1. Commissioner Molnar voted no.

(29) In the matter of LC 1089 for the 2011 Legislative Session.

Commissioner Gutsche moved to SUPPORT LC 1089. Commissioner Kavulla seconded the motion, which passed 3-2. Commissioners Gallagher and Molnar voted Nay.

(30) In the matter of LC 1090 for the 2011 Legislative Session.

Commissioner Gallagher moved to SUPPORT LC 1090. Commissioner Gutsche seconded the motion, which passed unanimously.

(31) In the matter of LC 1091 for the 2011 Legislative Session.

Commissioner Kavulla moved to SUPPORT LC 1091. Commissioner Gutsche seconded the motion, which passed unanimously.

(32) In the matter of Senate Bill 62 for the 2011 Legislative Session.

Commissioner Kavulla moved to SUPPORT SB 62. Commissioner Gutsche seconded the motion, which passed unanimously.

(33) In the matter of House Bill 92 for the 2011 Legislative Session.

Commissioner Kavulla moved to SUPPORT HB 92. Commissioner Gutsche seconded the motion, which passed unanimously.

(34) In the matter of LC328 for the 2011 Legislative Session.

Commissioner Kavulla moved to SUPPORT LC 328. Commissioner Molnar seconded the motion, which passed unanimously.

(35) In the matter of House Bill 104 for the 2011 Legislative Session.

Commissioner Kavulla moved to SUPPORT HB 104. Commissioner Gutsche seconded the motion, which passed 4-0. Commissioner Molnar abstained.

(36) In the matter of 2011 Legislative review and action.

Commissioner Kavulla moved to APPROVE the 5% budget reduction amount and suggested options. Commissioner Vincent seconded the motion, which passed unanimously.

There being no further business to come before the Commission the meeting was adjourned.

W. A. GALLAGHER, Chairman

BRAD MOLNAR, Vice Chairman

GAIL GUTSCHE, Commissioner

TRAVIS KAVULLA, Commissioner

JOHN VINCENT, Commissioner

ATTEST:

Verna Stewart
Commission Secretary

(SEAL)