

Minutes for the week of July 25, 2011

At the meeting of the Public Service Commission of the State of Montana held at the Commission's Offices in Helena, Montana, on Tuesday July 26, 2011, the following members were present:

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

APPEARANCE

Kate Whitney, Administrator, Regulatory Division

(295) In the matter of the Commission's minutes for the weeks of June 27, 2011, July 4, 2011, and July 11, 2011.

Commissioner Gutsche moved to APPROVE the Commission Minutes for the weeks of June 27, 2011, July 4, 2011, and July 11, 2011. Commissioner Gallagher seconded the motion, which passed unanimously.

APPEARANCE

Eric Dahlgren, Regulatory Division

(296) In the matter of T-11.17.OTSC: Capt. N Trips LLC, Missoula, Montana holds PSC No. 9461. As a seasonal operator, insurance must be filed prior to the seasonal part specified on the certificate.

Commissioner Gutsche moved to CANCEL PSC No. 9461 for failure to file proper insurance. Commissioner Gallagher seconded the motion, which passed unanimously.

(297) In the matter of TN2504: Flathead Area Custom Transportation, Inc. dba Kalispell Taxi & Airport Shuttle Service, Kalispell, Montana requests permission to continue the lease of PSC No. 56 to Jeanne M. Herron dba Drive4U, Whitefish, Montana for one year, July 22, 2011 to July 22, 2012.

Commissioner Gallagher moved to CONTINUE lease of PSC No. 56. Commissioner Gutsche seconded the motion, which passed unanimously.

(298) In the matter of TN2505: Evans Transfer & Storage, Inc., Maricopa, Arizona, requests permission to suspend PSC No. 1712 for a final six month period, June 1, 2011 to December 1, 2011.

Commissioner Vincent moved to SUSPEND PSC No. 1712. Chairman Kavulla seconded the motion, which passed unanimously.

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(299) In the matter of TN2405: Eric Fruehstorfer dba AAA Night Taxi, Lewistown, Montana, requests cancellation of PSC No. 9471 effective immediately.

Chairman Kavulla moved to CANCEL PSC No. 9471. Commissioner Gutsche seconded the motion, which passed unanimously.

APPEARANCE

Eric Eck, Regulatory Division

(300) In the matter of D2011.6.49: On June 20, 2011, Black Hills Power filed a Quarterly Fuel Rate Rider application.

Commissioner Molnar moved to APPROVE Black Hills Power's Quarterly Fuel Rate Rider application. Chairman Kavulla seconded the motion, which passed unanimously.

APPEARANCE

Kate Whitney, Administrator, Regulatory Division

(301) In the matter of D2011.6.52: On June 22, 2011, Montana Dakota Utilities filed a revised electric line extension tariff to bring the tariff into compliance with a law enacted by the 2011 Legislature (HB 291).

Chairman Kavulla moved to APPROVE MDU's revised electric line extension tariff. Commissioner Molnar seconded the motion, which passed unanimously.

APPEARANCE

Mike Dalton, Regulatory Division

(302) In the matter of D2006.3.30: Qwest has filed for approval with this Commission an amendment to the existing interconnection agreement between Qwest and DIECA Communications in Docket No. D2006.3.30.

Commissioner Gutsche moved to APPROVE the amendment to the existing interconnection agreement between Qwest and DIECA. Commissioner Vincent seconded the motion, which passed unanimously.

(303) In the matter of D2011.5.42: NWE-BPA Residential Exchange Credit Filing.

Chairman Kavulla moved to APPROVE the Final Order on BPA Residential Exchange Program rate credit. Commissioner Gutsche seconded the motion, which passed unanimously.

APPEARANCE

Justin Kraske, Legal Division

(304) In the matter of D2011.1.8: Consolidated Petition by Mountain Water for Declaratory Rulings and Application for Approval of Sale.

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Commission Gutsche moved to ISSUE the amended procedural schedule establishing a September 26<sup>th</sup> hearing date. Chairman Kavulla seconded the motion, which passed unanimously.

APPEARANCE

Leroy Beeby, Regulatory Division

(305) In the matter of D2011.4.35: Sleepy Hollow Oil and Gas, LLC-Initiate natural gas service and establish initial interim rates for service in and around Winifred, MT.

Chairman Kavulla moved to APPROVE the Interim Order subject to minor non-substantive text changes. Commissioner Gallagher seconded this motion, which passed unanimously.

APPEARANCE

Scott Fabel, Regulatory Division

(306) In the matter of D2011.5.39: Miller Oil Co. d/b/a The City Line- Annual True-Up. On May 5, 2011 Miller Oil Company dba The City Line filed an application for approval of its annual true up of its propane cost tracking adjustment for the period of January 2010 through December 2010.

Chairman Kavulla moved to APPROVE the Default Order. Commissioner Molnar seconded the motion, which passed unanimously.

APPEARANCE

Leroy Beeby, Scott Fabel, and Will Rosquist, Regulatory Division  
Sarah Norcott and Jim Paine, Legal Division

(307) In the matter of D2010.8.82: Montana-Dakota Utilities Application for Authority to Establish Increased Rates for Electric Service.

Chairman Kavulla moved to APPROVE the Final Order with a refund of \$5,000 going to an energy share program. Commissioner Gutsche seconded the motion which passed 3-2. Commissioners Molnar and Gallagher dissented.

APPEARANCE

Sarah Norcott, Legal Division

(308) In the matter of D2011.5.41: NorthWestern Energy-Application for Approval to Purchase and Operate the Spion Kop Wind Project. In May 2011 Sagebrush submitted a Motion for general intervention.

Commissioner Gallagher moved to DENY Sagebrush's Motion for General Intervention, and GRANTING Limited Intervenor Status. Chairman Kavulla seconded the motion, which passed unanimously.

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APPEARANCE

Erik Eck, Regulatory Division

(309) In the matter of N2010.12.111: NorthWestern Energy-2010 Natural Gas Procurement Plan. On December 14, 2010 NorthWestern Energy submitted its December 2010 Natural Gas Biennial Procurement Plan.

Chairman Kavulla moved to APPROVE the PSC's comments on the plan with minor revisions, including adding definitions for "call option" and "fixed-for-float transactions", and putting quote marks around language defining hedging, all of which are changes that do not change the substantive meaning. Commissioner Gutsche seconded the motion, which passed unanimously.

APPEARANCE

Eric Dahlgren, Regulatory Division

(310) In the matter of the proposed changes to motor carrier administrative rules.

Chairman Kavulla moved to DIRECT staff draft and issue a notice of the proposed rules as identified in the staff memorandum. Commissioner Gutsche seconded the motion, which passed unanimously.

(311) In the matter of T-11.15.OTSC: Discuss and provide direction to staff regarding Jim's Taxi's response to Commission's order to show cause.

Commissioner Gallagher moved to APPROVE the maximum civil fine of \$500 on Mr. Elgin. Commissioner Molnar seconded the motion, which passed unanimously.

APPEARANCE

Dennis Lopach, Administrator, Legal Division

(312) In the matter of the Commission's discussion of out of state staff travel. Jason Brown plans on traveling to the Advanced Energy Operations Conference October 24-25, 2011, in Chicago, Illinois. The funds will be out of the ARRA budget.

Chairman Kavulla moved to APPROVE the ARRA out of state travel. Commissioner Gutsche seconded the motion, which passed unanimously.

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

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TRAVIS KAVULLA, Chairman

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GAIL GUTSCHE, Vice Chair

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W. A. GALLAGHER, Commissioner

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BRAD MOLNAR, Commissioner

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JOHN VINCENT, Commissioner

ATTEST:

Aleisha Solem  
Commission Secretary

(SEAL)