

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 17, 2012, the following members were present:

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

APPEARANCE

Aleisha Solem, Commission Secretary

(13) In the matter of the approval of Commission Minutes for the week of January 10, 2012.

Commissioner Gutsche moved to APPROVE the Commission Minutes for the week of January 10, 2012. Chairman Kavulla seconded the motion, which passed unanimously.

APPEARANCE

Neil Templeton, Dagan Lynch, Michael Dalton, Regulatory Division

(14) In the matter of Dockets No. N2011.12.100, N2011.12.101, and N2011.12.102: NorthWestern Energy's revised natural gas, propane, and electric tariffs.

Commissioner Gutsche moved to APPROVE NorthWestern Energy's revised natural gas, propane, and electric tariffs in Dockets N2011.12.100, N2011.12.101, and N2011.12.102. Commissioner Vincent seconded the motion, which passed unanimously.

APPEARANCE

Michael Dalton, Regulatory Division

(15) In the matter of Docket No. D2006.3.41: CenturyLink's proposed amendment to the Interconnection agreement.

Commissioner Gutsche moved to APPROVE CenturyLink's proposed amendment to the Interconnection Agreement. Chairman Kavulla seconded the motion, which passed unanimously.

APPEARANCE

Jason Brown, Legal Division  
Bob Decker and Brian DeKiep, Regulatory Division

Chairman Kavulla recused himself.

(16) In the matter of Docket D2011.6.46: Electric City Power, Inc 's petition for a short-term

waiver from full compliance with the Montana Renewable Portfolio Standard.

MOTION 1: Commissioner Vincent moved to DENY Electric City Power, Inc's petition for waiver from full compliance with the Montana Renewable Portfolio Standard. Commissioner Gutsche seconded the motion, which failed 2 to 2, with Commissioners Gutsche and Vincent voting aye, Commissioners Gallagher and Molnar voting no.

MOTION 2: Commissioner Vincent moved to ASSESS an administrative penalty of \$132,230 per 69-3-2004(10), MCA. Commissioner Gutsche seconded the motion.

MOTION 3: Commissioner Gutsche moved to AMEND the motion to specify that the penalty would be paid by the customers. Commissioner Vincent seconded the motion, which failed 2 to 2, with Commissioners Gutsche and Vincent voting aye, Commissioners Gallagher and Molnar voting no.

MOTION 4: Commissioner Vincent moved to ACCEPT Electric City Power, Inc's settlement offer of \$99,120 to the Universal Low-Income Assistance Fund.

Commissioner Molnar moved to AMEND the motion to have the acceptance of the settlement offer delivered by either Senator Tester or Governor Schweitzer. The motion died for a lack of second.

The motion passed 3 to 1. Commissioner Molnar dissenting.

APPEARANCE

Leroy Beeby, Regulatory Division  
Justin Kraske, Legal Division

Commissioner Gallagher recused himself.

(17) In the matter of Docket No. D2011.4.34: AquaFlo, LLC general rate case.

Commissioner Gutsche moved to OVERRULE the objections to MCC and PSC data requests. Chairman Kavulla seconded the motion, which passed unanimously.

APPEARANCE

Leroy Beeby, Regulatory Division

(18) In the matter of Docket No. D2011.12.97: NorthWestern Energy property tax tracker.

Commissioner Gutsche moved to APPROVE the Final Order as drafted. Commissioner Vincent seconded the motion, which passed unanimously.

APPEARANCE

Kate Whitney, Administrator, Regulatory Division  
Nickie Eck, Transportation Unit  
Dennis Lopach, Administrator, Legal Division

(19) In the matter of Compliance with 69-12-328, MCA.

Commissioner Molnar moved to ISSUE the certificates of Public Convenience and Necessity to the seven charter certificates that meet the criteria and DENY the two that did not meet the criteria, who under law may continue operating without penalty from the PSC's enforcement officers until July 1, 2012, and DIRECT staff to work with the two in non-compliance to expedite splitting their authority or request for PCN. Commissioner Gutsche seconded the motion, which passed unanimously.

APPEARANCE

Kate Whitney, Administrator, Regulatory Division

(20) In the matter of out of state staff travel.

Chairman Kavulla moved to APPROVE Staff travel for: Leroy Beeby and Scott Fabel to attend NARUC Meeting, March 25-29 at Hilton Head, SC; Justin Kraske to attend National Conference of Regulatory Attorneys, May 20-23 in Indianapolis; Jason Brown to attend Electric Utility Rate Cases Conference, February 2-3 in Las Vegas, NV. Commissioner Gutsche seconded the motion, which passed unanimously.

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)