

At the meeting of the Public Service Commission of the State of Montana held at the Commission's Offices in Helena, Montana, on Thursday May 31, 2012, the following members were present:

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

APPEARANCE

Aleisha Solem, Commission Secretary

(147) In the matter of the approval of Commission Minutes for the week of May 21, 2012.

Commissioner Vincent moved to APPROVE the Commission Minutes for the week of May 21, 2012. Commissioner Gutsche seconded the motion, which passed unanimously.

APPEARANCE

Mike Dalton, Regulatory Division

(148) In the matter of Docket No. D2011.9.86: CenturyLink's amendment to the existing interconnection agreement between Qwest Corporation d/b/a CenturyLink and Gazelle Link, LLC.

Chairman Kavulla moved to APPROVE the proposed amendment to the interconnection agreement. Commissioner Gutsche seconded the motion, which passed unanimously.

APPEARANCE

Mike Dalton, Regulatory Division

(149) In the matter of Docket No.'s N2012.5.51 and N2012.5.52: Project Telephone Company's tariff revisions and formal request to withdraw from the Montana Telephone Low Income Assistance Program, pursuant to M.C.A. §69-3-1007.

Commissioner Molnar moved to APPROVE Project Telephone tariff revisions and APPROVE Project Telephone's request to withdraw from the Montana Telephone Low Income Assistance Program. Chairman Kavulla seconded the motion, which passed unanimously.

APPEARANCE

Mike Dalton, Regulatory Division

(150) In the matter of Docket No. D2012.4.41: CenturyLink- TC System, Inc. wished to adopt the Wireline Interconnection Agreement and any associated amendments between TC System Inc. and CenturyLink.

Commissioner Vincent moved to APPROVE the Interconnection Agreement. Commissioner Gallagher seconded the motion, which passed unanimously.

APPEARANCE

Neil Templeton, Regulatory Division  
Jason Brown, Legal Division

(151) In the matter of Docket No. Docket No. D2012.2.16: Black Hills Power application for a rate approval.

Commissioner Molnar moved to APPROVE the Contract Rates. Chairman Kavulla seconded the motion, which passed unanimously.

APPEARANCE

Joel Tierney and Leroy Beeby, Regulatory Division  
Justin Kraske, Legal Division

(152) In the matter of Docket No. D2012.3.27: Yellowstone Pipeline change to Tariff No. 48 rates.

Commissioner Molnar moved to APPROVE the tariff changes. Commissioner Vincent seconded the motion, which passed unanimously.

APPEARANCE

Joel Tierney and Leroy Beeby, Regulatory Division  
Justin Kraske, Legal Division

(153) In the matter of Docket No. D2012.4.40: Yellowstone Pipeline change to Tariff No. 49 rates.

Commissioner Molnar moved to APPROVE the tariff changes. Commissioner Gutsche seconded the motion, which passed unanimously.

APPEARANCE

Scott Fabel, Regulatory Division

(154) In the matter of Docket No. D2011.6.47: Montana-Dakota Utilities fuel and purchase power cost tracking adjustment to rate 58.

Chairman Kavulla moved to APPROVE the final order. Commissioner Gallagher seconded the motion, which passed unanimously.

APPEARANCE

Scott Fabel, Regulatory Division

(155) In the matter of Docket No. D2011.12.98: Montana-Dakota Utilities fuel and purchase power cost tracking adjustment rate 35.

Chairman Kavulla moved to APPROVE the final order. Commissioner Gallagher seconded the motion, which passed unanimously.

APPEARANCE

Leroy Beeby, Regulatory Division

Justin Kraske, Legal Division

(156) In the matter of Docket No. D2010.6.60: North Star Planned Unit Development second set of interim rates.

Commissioner Gallagher moved to APPROVE the interim rate with staff recommendations. Commissioner Molnar seconded the motion, which passed 4 to 1. Chairman Kavulla dissenting.

APPEARANCE

Commissioner Molnar

(157) In the matter of Path8/Colstrip transmission upgrade informational meeting.

Chairman Kavulla moved to hold an informational meeting in Helena on both the point to point Path 8/Colstrip transmission upgrade and the potential implications on regulating reserve service demand; and to invite Bonneville Power Administration, NorthWestern, Gaelectric, Powerex, one of the Colstrip co-owners, and NaturEner and any other interested parties. Commissioner Vincent seconded the motion, which passed unanimously.

APPEARANCE

Bob Decker, Regulatory Division

Jason Brown, Legal Division

Brian DeKiep, Regulatory Division

(158) In the matter of Docket No. D2011.6.53: NorthWestern Energy's petition for a waiver from full compliance with CREP purchase obligation.

Commissioner Gallagher moved to APPROVE staff's recommendation of the one-year waiver as requested; establish in the order a time line with regard to the compliance period. Commissioner Molnar seconded the motion.

MOTION TO AMEND: Commissioner Molnar moved to AMEND staff's recommendation to include in the PSC's statements to have NorthWestern give consideration to a "reverse auction". The motion died for a lack of a second.

MOTION TO AMEND: Chairman Kavulla moved to AMEND the main motion by adding a finding in the final order that NorthWestern's request for a waiver for the years 2013 and 2014 is denied because the utility did not take the reasonable step of initiating a competitive bidding process for CREP resources in early 2011, a step that, if taken, may have resulted in the acquisition of additional CREP resources in 2013 or 2014. Commissioner Gutsche seconded the motion which passed 3 to 2. Commissioner Gallagher and Commissioner Molnar dissenting.

The main motion as amended passed 4 to 1. Commissioner Gallagher dissenting.

APPEARANCE

Dennis Lopach, Administrator, Legal Division  
Lori Sandru, Regulatory Division

(159) In the matter of Steven Burch vs. NorthWestern Energy: Consider whether to require NorthWestern Energy to answer customer complaint.

Commissioner Vincent moved to have NorthWestern Energy ANSWER the customer complaint regarding customer line extension tariff. Chairman Kavulla seconded the motion, which passed unanimously.

APPEARANCE

Dennis Lopach, Administrator, Legal Division

(160) In the matter of staff out of state travel: Obtain approval for Dennis Lopach to attend NARUC Summer Committee Meeting in Portland, OR, July 22-25, 2012.

Commissioner Gutsche moved to APPROVE Dennis Lopach's travel to the NARUC Summer Committee Meeting. Chairman Kavulla seconded the motion, which passed unanimously.

APPEARANCE

Dennis Lopach, Administrator, Legal Division

(161) In the matter of Docket No. N2012.4.42: Montana Intrastate Access Tariff No. 1.

Commissioner Molnar moved to APPROVE the motion for protective order. Chairman Kavulla seconded the motion, which passed unanimously.

APPEARANCE

Gary Duncan, Regulatory Division

(162) In the matter of Docket No.'s N2012.5.60 and N2012.5.53: Lincoln and Southern Telephone Companies withdrawal from the Montana Low Income Assistance Telephone Program.

Commissioner Gallagher moved to APPROVE the withdrawal of Southern Montana Telephone Company and Lincoln Telephone Company from the Montana Low Income Telephone Assistance program in Dockets N2012.5.53 and N2012.5.60. Chairman Kavulla 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  
and  
Judy Scheier  
Assistant Commission Secretary

(SEAL)