

At the meeting of the Public Service Commission of the State of Montana held at the Commission's Offices in Helena, Montana, on Thursday, October 25, 2012, the following members were present:

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

APPEARANCE

Aleisha Solem, Commission Secretary

(297) In the matter of the approval of Commission Minutes for the week of October 15, 2012.

Commissioner Gutsche moved to APPROVE the Commission Minutes for the week of October 15, 2012. Commissioner Vincent seconded the motion, which passed unanimously.

APPEARANCE

Eric Eck, Regulatory Division

(298) In the matter of Docket No. D2012.9.99: Black Hills Power Inc.'s quarterly fuel rate rider application.

Commissioner Molnar moved to APPROVE Black Hills Power Inc.'s quarterly fuel rate rider application. Chairman Kavulla seconded the motion, which passed unanimously.

APPEARANCE

Scott Fabel, Regulatory Division

(299) In the matter of Docket No. N2012.10.105: Citizens Telecommunications Advice Letter No. MT-12-05.

Commissioner Vincent moved to APPROVE Advice Letter No. MT-12-05. Commissioner Gutsche seconded the motion, which passed unanimously.

APPEARANCE

Scott Fabel, Regulatory Division

(300) In the matter of Docket No. N2012.10.104: NorthWestern Energy's application seeking authority to accumulate the under and over collections of MPSC and MCC taxes starting on October 1, 2012.

Commissioner Vincent moved to APPROVE NorthWestern Energy's request to accrue under and over collections of the MPSC and MCC tax increases until the next general rate case. Chairman

Kavulla seconded the motion, which passed unanimously.

APPEARANCE

Michael Dalton, Regulatory Division

(301) In the matter of Docket No. D2004.1.13, D2006.3.32, and D2011.5.43: Qwest dba CenturyLink has filed applications for approval of amendments to its existing interconnection agreements.

Chairman Kavulla moved to APPROVE the amendments to the interconnection agreements between Qwest Corp. dba CenturyLink and Sprint Communications in Docket D2004.1.13, Qwest Corp. dba CenturyLink and Granite Telecommunication in Docket No. D2006.3.32, and Qwest Corp. dba CenturyLink and Broadvox-CLEC, LLC in Docket No. D2011.5.43. Commissioner Vincent seconded the motion, which passed unanimously.

APPEARANCE

Michael Dalton, Regulatory Division

(302) In the matter of Docket No. D2012.9.91 and D2012.10.107: Qwest Corp. dba CenturyLink and CenturyTel dba CenturyLink interconnection agreements.

Commissioner Gutsche moved to APPROVE the interconnection agreements. Commissioner Vincent seconded the motion, which passed unanimously.

APPEARANCE

Gary Duncan, Regulatory Division

(303) In the matter of Docket No. N2012.10.106: Southern Montana Telephone Company's request for the PSC to file a letter with the FCC seeking clarification of certain FCC reporting requirements.

Chairman Kavulla moved to APPROVE supporting Southern Montana Telephone Company's request by sending a letter to the FCC requesting clarification of certain issues. Commissioner Vincent seconded the motion, which passed unanimously.

APPEARANCE

Kate Whitney, Administrator, Regulatory Division

Leroy Beeby, Regulatory Division

Justin Kraske, Legal Division

(304) In the matter of Docket No. D2009.12.156: Aquanet's application for initial rates.

Commissioner Molnar moved to DIRECT staff to draft an order that Aquanet is entitled to rate base of anything built after the lots were sold.

The motion dies for a lack of a second

Main Motion: Commissioner Molnar moved to DIRECT staff to draft a final order that shows that the rate is set at the amount established by the MCC in its testimony at \$69.43. Chairman Kavulla seconded the motion.

Motion to Amend: Chairman Kavulla moved to AMEND the main motion to make several adjustments to the MCC recommendation. For system operator expenses, instead of the MCC recommendation, to adopt the 2009 test year less the EPA fine, to use the rate case expense as presented in the pre-filed rebuttal testimony of Sandra Barrows and amortize that expense over a five-year period, and to adopt a refund period equal to the amount of months during which interim rates were effective. Commissioner Molnar seconded, the motion passed 4 to 1. Commissioner Gallagher dissenting.

Motion to Amend: Chairman Kavulla moved to AMEND the allocation of electricity cost to the water utility by changing the MCC's 90-10 allocation to a 99-1 allocation. Commissioner Gutsche seconded the motion, which passed 4 to 1. Commissioner Gallagher dissenting.

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

APPEARANCE

Kate Whitney, Administrator, Regulatory Division

(305) In the matter of Out of state staff travel: David Lofftus to attend meeting of the Scenario Planning Steering Group in Salt Lake City, Utah October 30-November 1, 2012.

Commissioner Gutsche moved to APPROVE the out of state staff travel. Commissioner Vincent seconded the motion, which passed unanimously.

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

TRAVIS KAVULLA, Chairman

GAIL GUTSCHE, Vice Chair

W. A. GALLAGHER, Commissioner

BRAD MOLNAR, Commissioner

JOHN VINCENT, Commissioner

ATTEST:

Aleisha Solem
Commission Secretary

(SEAL)