

At the meeting of the Public Service Commission of the State of Montana held at the Commission's Offices in Helena, Montana, on Tuesday, December 11, 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

(350) In the matter of the approval of Commission Minutes for the week of December 3, 2012.

Commissioner Gutsche moved to APPROVE the Commission Minutes for the week of December 3, 2012. Commissioner Vincent seconded the motion, which passed unanimously.

APPEARANCE

Nickie Eck, Transportation Unit

(351) In the matter of Docket No. T-12.15.PCN: Marty's Shuttle's application for a Class B certificate of public convenience and necessity.

Commissioner Gutsche moved to CLOSE the docket at the applicant's request. Commissioner Gallagher seconded the motion, which passed unanimously.

APPEARANCE

Mike Dalton, Regulatory Division

(352) In the matter of Docket No. D2010.9.96: Amendment to the existing interconnection agreement between Qwest Corporation dba CenturyLink and dishNET Wireline; D2005.3.36: Amendment to the existing interconnection agreement between Qwest Corp. dba CenturyLink and Metropolitan Telecommunications; and D2008.3.25: Amendment to the existing interconnection agreement between Triangle Telecommunications and New Cingular Wireless dba AT&T Mobility.

Chairman Kavulla moved to APPROVE the amendments to the existing interconnection agreements in Dockets D2010.9.96, D2005.3.36, and D2008.3.25. Commissioner Gutsche seconded the motion, which passed unanimously.

APPEARANCE

Kate Whitney, Administrator, Regulatory Division

(353) In the matter of Out of State Staff travel: Scott Fabel's travel to the spring meeting of

NARUC staff subcommittee on Accounting and Finance, April 22-24, 2013, in Oklahoma City, OK.

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

APPEARANCE

Mike Dalton, Regulatory Division

(354) In the matter of Docket No. D2012.9.101: Interconnection agreement between Qwest dba CenturyLink and Wholesale Carrier Services and D2012.10.113: Interconnection agreement between CenturyTel dba CenturyLink and Spectrotel, Inc.

Commissioner Vincent moved to APPROVE the interconnection agreements in Dockets D2012.9.101 and D2012.10.113. Commissioner Gutsche seconded the motion, which passed unanimously.

APPEARANCE

Gary Duncan, Regulatory Division
Brenda Elias, Legal Division

(355) In the matter of Docket No.D2008.1.6: CenturyLink AFOR DSL deployment non-compliance.

Commissioner Vincent moved to REJECT the alternative proposal as filed and DIRECT staff to inform CenturyLink the alternative will be reconsidered if CenturyLink agrees to offer to customers who order speeds faster than 1.5 Mbps a monthly discount equal to the 1.5 Mbps monthly rate and to include all customers. Commissioner Gutsche seconded the motion, which passed unanimously.

APPEARANCE

Justin Kraske, Legal Division

(356) In the matter of Docket No.D2012.7.81: Mountain Water Company's application to increase rates and charges for water service to its Missoula, Montana customers.

Commissioner Gutsche moved to GRANT in part and DENY in part the motion for protective order. Commissioner Vincent seconded the motion, which passed unanimously.

APPEARANCE

Scott Fabel, Regulatory Division

(357) In the matter of Docket No. D2011.1.12: Miller Oil dba The City Link annual true up.

Chairman Kavulla moved to APPROVE the default order. Commissioner Gallagher seconded

the motion, which passed unanimously.

APPEARANCE

Scott Fabel, Regulatory Division

Justin Kraske, Legal Division

(358) In the matter of Docket No. D2012.11.122: Montana Dakota Utilities Rate 35 tracker.

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

APPEARANCE

Jason Brown, Legal Division

Kate Whitney, Administrator, Regulatory Division

(359) In the matter of Docket No. D2012.9.94: NorthWestern Energy's application for authority to establish increased natural gas delivery service rates and allocated cost of service and rate design.

Chairman Kavulla moved to APPROVE the notice of staff action regarding the effectiveness and regulatory treatment of DSM and USB programming and whether such programming is properly capitalized or expensed. Commissioner Gallagher seconded the motion.

The question was divided.

The motion regarding the effectiveness and regulatory treatment of DSM and USB programming failed 2 to 3. Commissioners Gutsche, Molnar, and Vincent dissenting.

The motion regarding DSM and USB programming being capitalized or expensed failed 2 to 3. Commissioners Gutsche, Molnar, and Vincent dissenting.

APPEARANCE

Jason Brown, Legal Division

Dennis Lopach, Administrator, Legal Division

(360) In the matter of Docket No. D2012.9.94: NorthWestern Energy's application for authority to establish increased natural gas delivery service rates and allocated cost of service and rate design.

Chairman Kavulla moved to ISSUE the Notice of Commission Action as written and originally circulated, and give NorthWestern 7 days to reply to the overruled data requests. Commissioner Gutsche seconded the motion, which passed 4 to 1. Commissioner Gallagher dissenting.

APPEARANCE

Commissioner Gallagher
Kate Whitney, Administrator, Regulatory Division
Leroy Beeby, Regulatory Division
Dennis Lopach, Administrator, Legal Division
Justin Kraske, Legal Division

(361) In the matter of the Commission's discussion of water rules: (1) Draft rules regarding simplified regulatory treatment options for small water/wastewater utilities, and (2) draft bill to amend Section 76-3-622, MCA, to address subdivision developments that include small water and/or wastewater utility systems.

Commissioner Gallagher moved to DIRECT staff to initiate an informal rulemaking process on the draft water rules. Commissioner Molar seconded the motion, which passed unanimously.

Commissioner Gallagher moved to APPROVE the draft PSC bill to amend section 76-3-622, MCA, for introduction in the 2013 Legislature. Commissioner Molnar seconded the motion, which passed 4 to 1. Commissioner Gutsche dissenting.

APPEARANCE

Staci Litschauer, Administrator, Centralized Service Division

(362) In the matter of the Commission's discussion to reclassify the Legal Secretary position to Paralegal position.

Commissioner Vincent moved to APPROVE reclassifying the Legal Secretary position to Paralegal position. Chairman Kavulla seconded the motion, which passed unanimously.

APPEARANCE

Dennis Lopach, Administrator, Legal Division
Brenda Elias, Legal Division

(363) In the matter of the Commission's discussion of the Blue Book revisions to review revised draft of the Commissioners' section of the Blue Book.

Commissioner Gutsche moved to ADOPT the draft, with suggested language changes on pages 14, 15 and 17, on an interim basis. Commissioner Vincent seconded the motion.

SUBSIDIARY MOTION: Commissioner Molnar moved to POSTPONE to a time certain the action of the adoption of the Blue Book, with the noted revisions, until the January 8th work session. Commissioner Gallagher seconded the motion, which passed 3 to 2. Commissioner Gutsche and Commissioner Vincent dissenting.

APPEARANCE

Justin Kraske, Legal Division

(364) In the matter of the Commission's discussion of Whitehall Wind judicial review DV-03-10080, to discuss and decide whether the Commission should consent to allowing a NorthWestern Energy attorney to represent NWE in this judicial review.

Commissioner Gallagher moved to GRANT consent for Sarah Norcott to represent NorthWestern Energy in the Whitehall Wind Judicial review DV-03-10080. Chairman Kavulla 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)