

At the meeting of the Public Service Commission of the State of Montana held at the Commission's Offices in Helena, Montana, on January 29, 2013, the following members were present:

Bill Gallagher, Chairman
Bob Lake, Vice Chairman
Kirk Bushman, Commissioner
Travis Kavulla, Commissioner
Roger Koopman, Commissioner

APPEARANCE

Aleisha Solem, Commission Secretary

(28) In the matter of the approval of Commission Minutes for the week of January 21, 2013.

Commissioner Kavulla moved to APPROVE the Commission Minutes for the week of January 21, 2013. Commissioner Lake seconded the motion, which passed unanimously.

APPEARANCE

Kate Whitney, Administrator, Regulatory Division

(29) In the matter of Out of State Staff Travel.

Commissioner Lake moved to APPROVE the out of state staff travel of Joel Tierney to the Pipeline Safety Representative training on March 6, 2013 in Austin, Texas; Elizabeth Kamback's travel to the Pipeline Safety Regulation Application and Compliance Procedures, March 11-15, 2013, Liquefied Natural Gas Safety Technology and Inspection April 2-5, 2013, Corrosion Control of Pipeline Systems, April 22-26, 2013, Pipeline Failure Investigation Techniques, April 29-May 3, 2013, and Plastic & Composite Materials, May 6-10, 2013 all in Oklahoma City, Oklahoma; John Torske's travel to Welding and Welding Inspection of Pipeline Materials, March 3-8, 2013, Corrosion Control of Pipeline Systems, March 25-29, 2013, LNG Safety Technology and Inspection, April 2-5, 2013, and Pipeline Failure Investigation Techniques, April 29-May 3, 2013 all in Oklahoma City, Oklahoma. Commissioner Koopman seconded the motion, which passed unanimously.

APPEARANCE

Eric Eck, Regulatory Division

(30) In the matter of D2012.12.29: Black Hills Power's quarterly fuel rate rider application.

Commissioner Bushman moved to APPROVE BHP's quarterly fuel rate rider application. Commissioner Kavulla seconded the motion, which passed unanimously.

APPEARANCE

Nickie Eck, Transportation Unit

(31) In the matter of TN2561: Big Sky Transfer & Storage, Inc.'s request to continue lease of PSC No. 2406.

Commissioner Kavulla moved to APPROVE the continued lease of PSC No. 2406 as requested. Commissioner Lake seconded the motion, which passed unanimously.

APPEARANCE

Jason Brown, Legal Division

(32) In the matter of 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.

Main Motion: Commissioner Gallagher moved to SUSTAIN PSC-138b. Commissioner Lake seconded the motion.

Motion to Amend: Commissioner Kavulla moved to WITHDRAW the words "each of" from PSC-138b. Commissioner Bushman seconded the motion, which passed 3 to 2. Commissioners Lake and Gallagher dissenting.

Chairman Gallagher withdrew his main motion as amended.

Commissioner Koopman moved to OVERRULE PSC-138b withdrawing the words "each of" from PSC-138b. Commissioner Kavulla seconded the motion which passed 4 to 1. Chairman Gallagher dissenting.

APPEARANCE

Brian DeKiep, Regulatory Division

David Lofftus, Regulatory Division

Jason Brown, Legal Division

(33) In the matter of D2012.3.24: Montana Dakota Utilities' petition for certification of eligible renewable resources and community renewable energy resources.

Commissioner Lake moved to APPROVE the Draft Order. Commissioner Koopman seconded the motion, which passed 4 to 1. Commissioner Kavulla dissenting.

APPEARANCE

Chairman Gallagher

(34) In the matter of Qualified Facilities Rule change proposal.

Main Motion: Chairman Gallagher moved to AUTHORIZE staff to prepare a rule proposal notice to ARM 38.5.1902. Commissioner Bushman seconded the motion.

Motion to Amend: Commissioner Kavulla moved to AUTHORIZE staff to prepare a rule proposal regarding the competitive solicitation process. The motion died for a lack of a second.

The main motion passed 4 to 1. Commissioner Kavulla dissenting.

APPEARANCE

Brenda Elias, Legal Division
Justin Kraske, Legal Division

(35) In the matter of the lawsuit filed by Mountain Water Co. challenging PSC's administrative rule on non-confidentiality of pay and benefits of a utility's three highest paid Montana-based employees.

Discussion only, no action was taken.

APPEARANCE

Kate Whitney, Administrator, Regulatory Division
Justin Kraske, Legal Division

(36) In the matter of Legislative bills relevant to the PSC mission, statutory authority, administrative process and general agency concerns.

Commissioner Kavulla moved to MONITOR SB 164. Commissioner Koopman seconded the motion, which passed unanimously.

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

W. A. GALLAGHER, Chairman

BOB LAKE Vice Chairman

KIRK BUSHMAN, Commissioner

TRAVIS KAVULLA, Commissioner

ROGER KOOPMAN, Commissioner

ATTEST:

Aleisha Solem
Commission Secretary

(SEAL)

At the meeting of the Public Service Commission of the State of Montana held at the Commission's Offices in Helena, Montana, on January 30, 2013, the following members were present:

Bill Gallagher, Chairman
Bob Lake, Vice Chairman
Kirk Bushman, Commissioner
Travis Kavulla, Commissioner
Roger Koopman, Commissioner via phone

APPEARANCE

Kate Whitney, Administrator, Regulatory Division
Justin Kraske, Legal Division

(37) In the matter of Legislative bills relevant to the PSC mission, statutory authority, administrative process and general agency concerns.

Commissioner Lake moved to MONITOR SB 180. Commissioner Kavulla seconded the motion, which passed unanimously.

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

W. A. GALLAGHER, Chairman

BOB LAKE Vice Chairman

KIRK BUSHMAN, Commissioner

TRAVIS KAVULLA, Commissioner

ROGER KOOPMAN, Commissioner

ATTEST:

Aleisha Solem
Commission Secretary

(SEAL)

At the meeting of the Public Service Commission of the State of Montana held at the Commission's Offices in Helena, Montana, on January 31, 2013, the following members were present:

Bill Gallagher, Chairman
Bob Lake, Vice Chairman
Kirk Bushman, Commissioner
Travis Kavulla, Commissioner
Roger Koopman, Commissioner

APPEARANCE

Leroy Beeby, Regulatory Division
Eric Eck, Regulatory Division
Justin Kraske, Legal Division

(38) In the matter of D2012.12.124: NorthWestern Energy's application for approval of automatic rate adjustment and tracking for taxes and fees.

Commissioner Lake moved to APPROVE the final order with an additional section to DIRECT NWE to issue a statement to ratepayers regarding the effect of taxes on their utility bills. The motion died for a lack of a second.

Commissioner Lake moved to TAKE no action. Chairman Gallagher seconded the motion.

Commissioner Kavulla called a POINT OF ORDER. Chairman Gallagher SUSTAINED the point of order and dismissed the motion of the floor without prejudice.

Commissioner Kavulla moved to FIND IN ERROR the inclusion of \$1,011,239, the amount of property tax expense related to CWIP, and to DISALLOW it pending further proceedings at the Commission. The motion died for lack of a second.

Commissioner Kavulla moved to ISSUE an order to uniformly increase the rates across customer classes but to allocate the increase in the volumetric disbursement among customer classes per kWh and per Dkt charge and not to increase the fixed charge rates. Commissioner Koopman seconded the motion.

Commissioner Koopman withdrew his second.

Commissioner Kavulla called a POINT OF ORDER.

Commissioner Kavulla withdrew his motion.

Commissioner Koopman moved to ISSUE an order DIRECTING NWE to inform ratepayers of the effect of taxes on their utility bills with staff's recommended language and changes.

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Commissioner Kavulla seconded the motion, which failed 2 to 3. Commissioners Gallagher, Bushman, and Lake dissenting.

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

W. A. GALLAGHER, Chairman

BOB LAKE Vice Chairman

KIRK BUSHMAN, Commissioner

TRAVIS KAVULLA, Commissioner

ROGER KOOPMAN, Commissioner

ATTEST:

Aleisha Solem
Commission Secretary

(SEAL)