

May 16, 2012

The Public Service Commission convened in the Commission Hearing Room, State Capitol, Bismarck, North Dakota, on May 16, 2012, 10:00 a.m. Present were Commissioners Kalk and Cramer. Commissioner Clark participated by telephone and authorized Scott Sheldon to sign orders on his behalf.

Minutes

Mr. Kalk: I move the minutes of April 25, May 9, 2012 be approved.

Mr. Cramer: I second the motion.

Roll Call: All voting "Aye."

Case No. PU-12-39
Northern States Power Company
230 Kv Peace Garden Switching
Station Tran. Line
Public Convenience & Necessity

Mr. Kalk: I move the Commission issue a utility valuation application fee refund to Northern States Power Company in the amount of \$9892.52, Case No. PU-12-39.

Mr. Cramer: I second the motion.

Roll Call: All voting "Aye."

Case No. AU-12-188
Rodney L Johnson
Auctioneer
License Application

Mr. Kalk: I move the Commission approve the auctioneer license application for Rodney L. Johnson, Cannon Falls, Minnesota.

Mr. Cramer: I second the motion.

Roll Call: All voting "Aye."

Case No. AU-12-189
Arthur Hagebock
Auction Clerk
License Application

Mr. Kalk: I move the Commission approve the auction clerk license application for Arthur Hagebock, LaMoure, North Dakota.

Mr. Cramer: I second the motion.

Roll Call: All voting "Aye."

Case No. AU-12-191
Weston Dent
Auctioneer
License Application

Mr. Kalk: I move the Commission approve the auctioneer license application for Weston Dent, Elgin, North Dakota.

Mr. Cramer: I second the motion.

Roll Call: All voting "Aye."

Case No. AU-12-192
Weston Dent Auction &
Clerking Auction Clerk
License Application

Mr. Kalk: I move the Commission approve the auction clerk license application for Weston Dent Auction & Clerking, Elgin, North Dakota.

Mr. Cramer: I second the motion.

Roll Call: All voting "Aye."

Case No. AU-12-193
Travis Harwood
Auctioneer
License Application

Mr. Kalk: I move the Commission approve the auctioneer license application for Travis Harwood, Elgin, North Dakota.

Mr. Cramer: I second the motion.

Roll Call: All voting "Aye."

Case No. AU-12-194
Douglas Scott Symington
Auctioneer
License Application

Mr. Kalk: I move the Commission approve the auctioneer license application for Douglas Scott Symington, Neche, North Dakota.

Mr. Cramer: I second the motion.

Roll Call: All voting "Aye."

Case No. GE-12-169
Crosswater Enterprises LLC
Roving Grain Buyer - Napoleon, ND
License Application

Mr. Kalk: I move the Commission approve the roving grain buyer license application in Case No. GE-12-169 for Crosswater Enterprises LLC of Napoleon, North Dakota, effective June 1, 2012.

Mr. Cramer: I second the motion.

Roll Call: All voting "Aye."

Case No. PU-10-124
Montana-Dakota Utilities Co.,
a Division of MDU
Electric Rate Increase
Application

Mr. Kalk: I move the Commission issue a Notice of Opportunity for Hearing in Montana-Dakota Utilities Co.'s Application to share earnings above 10.75% with its customers for the year ended 2011, Case No. PU-10-124.

Mr. Cramer: I second the motion.

Roll Call: All voting "Aye."

Case No. PU-10-124
Montana-Dakota Utilities Co.,
a Division of MDU
Electric Rate Increase
Application

Mr. Kalk: I move the Commission suspend the Earnings Sharing Adjustment filed in Montana-Dakota Utilities Co.'s electric rate increase application, Case No. PU-10-124.

Mr. Cramer: I second the motion.

Roll Call: All voting "Aye."

Case No. PU-12-134
Montana-Dakota Utilities Co.,
a Division of MDU
Basin Transload LLC- Mercer County
Public Convenience & Necessity

Mr. Kalk: I move the Commission issue a Notice of Opportunity for Hearing in the application of Montana-Dakota Utilities Co. to extend electric service to Basin Transload LLC at a location in Mercer County, North Dakota, Case No. PU-12-134.

Mr. Cramer: I second the motion.

Roll Call: All voting "Aye."

Case No. PU-12-149
Montana-Dakota Utilities Co.,
a Division of MDU
West Prairie Investments, LLP-
Mountrail County
Public Convenience & Necessity

Mr. Kalk: I move the Commission issue a Notice of Opportunity for Hearing in the application of Montana-Dakota Utilities Co. to extend electric service to West Prairie Investments LLP at a location in Mountrail County, North Dakota, Case No. PU-12-149.

Mr. Cramer: I second the motion.

Roll Call: All voting "Aye."

Case No. PU-12-152
Montana-Dakota Utilities Co.,
a Division of MDU
Scott Post- Williams County
Public Convenience & Necessity

Mr. Kalk: I move the Commission issue a Notice of Opportunity for Hearing in the application of Montana-Dakota Utilities Co. to extend electric service to Scott Post at a location in Williams County, North Dakota, Case No. PU-12-152.

Mr. Cramer: I second the motion.

Roll Call: All voting "Aye."

Case No. PU-12-171
Turtle Mountain Communications, Inc.
Switched Access
Price Schedule

Mr. Kalk: I move the Commission suspend the proposed switched access price schedules of Turtle Mountain Communications, Inc., Case No. PU-12-171, of North Dakota Telephone Company, Case No. PU-12-172, of Red River Rural Telephone Association, Case No. PU-12-173, of United Telephone Mutual Aid Corporation, Case No. PU-12-174, of Inter-Community Telephone Company, L.L.C., Case No. PU-12-175, of Moore and Liberty Telephone Company, Case No. PU-12-176, of Griggs County Telephone Co., Case No. PU-12-177, of West River Telecommunications Cooperative, Case No. PU-12-178, of Consolidated Telcom, Case No. PU-12-179, of Dickey Rural Telephone Cooperative, Case No. PU-12-182, of Dickey Rural Communications, Inc., Case No. PU-12-183, and of Polar Communications Mutual Aid Corporation, Case No. PU-12-184.

Mr. Cramer: I second the motion.

Roll Call: All voting "Aye."

Case No. PU-12-172
North Dakota Telephone Company
Switched Access
Price Schedule

Case No. PU-12-173
Red River Rural Telephone Association
Switched Access
Price Schedule

Case No. PU-12-174
United Telephone Mutual Aid
Corporation
Switched Access
Price Schedule

Case No. PU-12-175
Inter-Community Telephone Company,
L.L.C.
Switched Access
Price Schedule

Case No. PU-12-176
Moore and Liberty Telephone
Company
Switched Access
Price Schedule

Case No. PU-12-177
Griggs County Telephone Co.
Switched Access
Price Schedule

Case No. PU-12-178
West River Telecommunications
Cooperative
Switched Access
Price Schedule

Motion
(Continued)

Case No. PU-12-179
Consolidated Telcom
Switched Access
Price Schedule

Case No. PU-12-182
Dickey Rural Telephone Cooperative
Switched Access
Price Schedule

Case No. PU-12-183
Dickey Rural Communications, Inc.
Switched Access
Price Schedule

Case No. PU-12-184
Polar Communications Mutual Aid
Corporation
Switched Access
Price Schedule

Case No. PU-11-153
Otter Tail Power Company
Transmission Facility Cost Recovery
Rates

Mr. Kalk: I move the Commission approve Otter Tail Power Company's compliance rates and tariff in the transmission facility cost recovery rates and tariff applications, Case No. PU-11-153 and PU-11-682.

Case No. PU-11-682
Otter Tail Power Company
Transmission Facility Cost Recovery
Tariff

Mr. Cramer: I second the motion.
Roll Call: All voting "Aye."

Case No. PU-12-40
Plains Pipeline, L.P.
Nelson to Ross Pipeline –
Mountrail County
Siting Application

Mr. Kalk: I move the Commission execute a contract with Carlson McCain, Inc. for construction inspection services concerning Plains Pipeline L.P.'s construction of 17 miles of 10.75-inch crude oil pipeline in Mountrail County, North Dakota, Case No. PU-12-40.

Mr. Cramer: I second the motion.
Roll Call: All voting "Aye."

Case No. GE-12-168
Tronson Grain Company
Grain Warehouse
Discontinue Business

Mr. Clark: I move the Commission adopt an order in Case No. GE-12-168 cancelling warehouse license numbers 210 and 843 issued to Tronson Grain Company at Doyon and Tolna, North Dakota and ordering that business at Doyon and Tolna is discontinued.

Mr. Cramer: I second the motion.
Roll Call: All voting "Aye."

Case No. GE-12-163
Tronson Grain, LLC
Grain Warehouse
License Application

Mr. Clark: I move the Commission adopt an order in Case No. GE-12-163 granting the request of Tronson Grain, LLC to operate an 864,000-bushel grain warehouse at Doyon, North Dakota and a 511,000-bushel grain warehouse at Tolna, North Dakota.

Mr. Cramer: I second the motion.
Roll Call: All voting "Aye."

Case No. GE-10-498
Grabanski Grain, LLC
Grain Warehouse
Insolvency

HOLD OVER

Case No. PU-11-692
Basin Electric Power Cooperative
345/230 kV Transmission Line -
Williams County
Siting Application

Mr. Clark: I move the Commission adopt the Order adopting the Hearing Officer's May 1, 2012 Recommended Findings of Fact, Conclusions of Law and Recommended Order in the applications of Basin Electric Power Cooperative for a waiver of procedures and time schedules, a corridor certificate and route permit for the construction of its Williston Tie Project in Williams County, North Dakota, Case No. PU-11-692.

Mr. Cramer: I second the motion.
Roll Call: All voting "Aye."

Case No. PU-11-672
Montana-Dakota Utilities Co.,
a Division of MDU
Transmission Facility Cost Recovery
Rates

Mr. Kalk: I move the Commission adopt the Order concerning Montana-Dakota Utilities Company's transmission facility cost recovery tariff, Case No. PU-11-681, and Montana-Dakota Utilities Company's transmission facility cost recovery rates, Case No. PU-11-672.

Mr. Cramer: I second the motion.
Roll Call: All voting "Aye."

Case No. PU-11-681
Montana-Dakota Utilities Co.,
a Division of MDU
Transmission Facility Cost Recovery
Tariff

Case No. PU-12-171
Turtle Mountain Communications, Inc.
Switched Access
Price Schedule

Case No. PU-12-172
North Dakota Telephone Company
Switched Access
Price Schedule

Case No. PU-12-173
Red River Rural Telephone Association
Switched Access
Price Schedule

Case No. PU-12-174
United Telephone Mutual Aid
Corporation
Switched Access
Price Schedule

Case No. PU-12-175
Inter-Community Telephone Company,
L.L.C.
Switched Access
Price Schedule

Case No. PU-12-176
Moore and Liberty Telephone
Company
Switched Access
Price Schedule

Case No. PU-12-177
Griggs County Telephone Co.
Switched Access
Price Schedule

Case No. PU-12-178
West River Telecommunications
Cooperative
Switched Access
Price Schedule

Mr. Kalk: I move the Commission issue a Notice of Opportunity for Hearing concerning the proposed switched access price schedules of Turtle Mountain Communications, Inc., Case No. PU-12-171, of North Dakota Telephone Company, Case No. PU-12-172, of Red River Rural Telephone Association, Case No. PU-12-173, of United Telephone Mutual Aid Corporation, Case No. PU-12-174, of Inter-Community Telephone Company, L.L.C., Case No. PU-12-175, of Moore and Liberty Telephone Company, Case No. PU-12-176, of Griggs County Telephone Co., Case No. PU-12-177, of West River Telecommunications Cooperative, Case No. PU-12-178, of Consolidated Telcom, Case No. PU-12-179, of Dickey Rural Telephone Cooperative, Case No. PU-12-182, of Dickey Rural Communications, Inc., Case No. PU-12-183, and of Polar Communications Mutual Aid Corporation, Case No. PU-12-184.

Mr. Cramer: I second the motion.

Roll Call: All voting "Aye."

Case No. PU-12-179
Consolidated Telcom
Switched Access
Price Schedule

Motion
(Continued)

Case No. PU-12-182
Dickey Rural Telephone Cooperative
Switched Access
Price Schedule

Case No. PU-12-183
Dickey Rural Communications, Inc.
Switched Access
Price Schedule

Case No. PU-12-184
Polar Communications Mutual Aid
Corporation
Switched Access
Price Schedule

Case No. PU-12-196
McLean Electric Coop./
Mountrail Williams Electric
McLean & Mountrail Counties Area
Service Area Agreement

Mr. Kalk: I move the Commission issue a Notice of Filing, Notice of Opportunity For Hearing and Notice of Informal Hearing in the application of McLean Electric Cooperative, Inc. for approval of a service area agreement with Mountrail-Williams Electric Cooperative to establish and designate service locations to be served by McLean Electric and Mountrail-Williams within and around the Counties of McLean and Mountrail in North Dakota, Case No. PU-12-196.

Mr. Cramer: I second the motion.

Roll Call: All voting "Aye."

Case No. PU-10-554
Hiland Operating, LLC
6-Inch Natural Gas Liquids Pipeline
Siting Application

Mr. Cramer: I move the Commission issue a Notice of Filings, Notice of Informal Hearing and Notice of Opportunity for Hearing in the applications for an amended certificate of corridor compatibility, an amended route permit, and application for waivers of procedures and time schedules concerning Hiland Operating, LLC's 6-inch natural gas liquids pipeline project in McKenzie County, North Dakota, Case No. PU-10-554.

Mr. Kalk: I second the motion.

Roll Call: All voting "Aye."

Personnel Action

Mr. Cramer: I move the Commission acknowledge the probationary employment termination of position number 5006 effective the end of the authorized work day on May 1, 2012.

Mr. Kalk: I second the motion.

Roll Call: All voting "Aye."

Asset Acquisition and Management Policy

Mr. Cramer: I move the Commission adopt Policy 6-10-12 (0), Asset Acquisition and Management. I further move that 6-10-12 (0) be incorporated into the revised policy manual conditioned on and effective when the revised policy manual is formally adopted by the Commission.

PUBLIC SERVICE COMMISSION
ASSET ACQUISITION AND MANAGEMENT
POLICY 6-10-12

A. PURPOSE

The purpose is to establish consistency in acquiring and managing Public Service Commission assets.

B. DEFINITIONS

"Equipment" is generally defined as a tangible piece of property, other than general desktop items, with a service life of at least one year.

"Supply" is an expendable item that is used up during the normal course of business or more economical to replace than repair.

"Fixed asset" is equipment or software with a useful life of more than one year and an acquisition cost of \$5,000 or greater.

"Salvage value" is the estimated value of an asset after all depreciation.

"Inventory Control Number" is a number assigned to each inventoried item to track and manage its location in PeopleSoft.

C. POLICY

1. The Public Service Commission will inventory all equipment with an original purchase cost of \$1,000 and greater including any technology related items that fall below the threshold determined by the Technology Director. These items will be given inventory control numbers and tracked in the asset management module of PeopleSoft.

2. A fixed asset purchased by the Commission will be capitalized. This includes any additions, betterments, and improvements to items with a value exceeding \$5,000 and should not be confused with normal maintenance or repairs. These assets will use straight line depreciation over the useful life of the

(Continued)
Asset Acquisition and Management
Policy

asset minus the estimated salvage value. Depreciation will be taken in the month of acquisition but not in the month of disposal.

3. All computer software, with a purchase price of \$5,000 and greater, will be identified as a fixed asset and capitalized as miscellaneous equipment. Inventory control numbers will be assigned and all procedures related to inventory of capitalized equipment will be followed.

4. Items and technology equipment that meet the inventory threshold will be acquired by the Accounting Function. Division directors are responsible for insuring all necessary information is provided to ensure appropriate coding of assets.

5. Division directors are responsible for the physical control of assets assigned to their division and must notify the Accounting Function within a reasonable time of any interagency transfers.

6. The Accounting Function will be responsible for maintaining the asset listing for the Commission in PeopleSoft.

7. A physical inventory of Commission assets must be conducted annually. The timeframe for the inventory will be determined by the Accounting Manager or designee but will be completed no later than May 31st of each year. The inventory list will be verified by two individuals, one person from accounting along with one person from the respective division. The division director must sign approving the verified annual inventory and return to Accounting.

8. Disposal of all inventoried and non-inventoried equipment and software will be coordinated through the Commission's Accounting Manager or designee.

D. GUIDANCE

Employees who are assigned items, not on the agency inventory list, should have the items documented to ensure Commission assets are returned upon a significant change in job duties eliminating the need for assigned items or upon end of employment.

E. APPLICABILITY: All Commission Staff

F. EFFECTIVE DATE: May 16, 2012

G. NON-COMPLIANCE:

H. EXPLANATORY NOTE: OMB Policy and Procedures Manual, Appendix A; North Dakota Surplus Property Manual; N.D.C.C. 54-44-04.6.

(Continued)
Asset Acquisition and Management
Policy

Resignation
ARRA Public Utilities Analyst

ATTEST

I. REVISION DATES:
Mr. Kalk: I second the motion.
Roll Call: All voting "Aye."

Mr. Cramer: I move the Commission accept, with
regret, the resignation of Annette Bendish effective June
2, 2012.

Mr. Kalk: I second the motion.
Roll Call: All voting "Aye."

THE COMMISSION ADJOURNED AT 11:20 A.M.

Executive Secretary

TONY CLARK, CHAIRMAN