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August 6, 2019

Mr. Chris Petrie
Wyoming Public Service Commission
Hansen Building, Suite 300
2515 Warren Avenue
Cheyenne, WY 82002

Re: Docket No. 10014-198-CT-19, Record No. 15232
Revised Filing

Dear Mr. Petrie,

Please find enclosed one (1) original and four (4) copies of Powder River Energy Corporation's supplemental filing for the previously filed application. This information has also been filed electronically on the Commission's Document Management System.

Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink that reads "Michael E. Easley". The signature is fluid and cursive, with the first and last names being the most prominent.

Michael E. Easley
Chief Executive Officer

MEE/sjp

Enclosures

**BEFORE THE
WYOMING PUBLIC SERVICE COMMISSION**

**2ND SUPPLEMENTAL TESTIMONY
OF
DAVID W. HEDRICK
C. H. GUERNSEY & COMPANY
OKLAHOMA CITY, OKLAHOMA**

**ON BEHALF OF
POWDER RIVER ENERGY CORPORATION**

1 Q. Please state your name and business address.

2 A. My name is David W. Hedrick and my business address is 5555 North Grand Boulevard,
3 Oklahoma City, Oklahoma 73112-5507.

4 Q. Have you provided direct testimony in this proceeding?

5 A. Yes.

6 Q. Whom do you represent in this proceeding?

7 A. I represent Powder River Energy Corporation ("Powder River" or the "Cooperative").

8 Q. What is the purpose of your 2nd supplemental testimony?

9 A. I will provide Powder River's revised proposed Large Power Transmission-Coal Mine
10 (LPT-CM) rate and proposed refund of the current Cost of Power Adjustment (COPA) over
11 recovery amount for the LPT-CM class.

12 Q. Please describe Powder River's revised proposed LPT-CM rate.

13 A. The intent of the proposed LPT-CM rate is to change from a recovery of wholesale demand
14 costs based on the non-coincident peak (NCP) demand as reflected in the current rate to
15 recovery of wholesale demand based on the coincident peak (CP) demand. This provides
16 a more accurate tracking of the costs incurred for the LPT-CM class and for the individual

17 customers within the class. Powder River originally proposed an LPT-CM rate in this
18 proceeding that did not include the total revenue requirement as reflected in the approved
19 rate in Docket No. 10014-168-CR-16. The component of the rate related to the Office of
20 Consumer Advocate (OCA) adjustment had been inadvertently omitted. In Powder River's
21 supplemental testimony, the revised LPT-CM rate was adjusted to include the incremental
22 OCA charges in the wholesale component of the rate as currently recovered in the approved
23 rate. After review and discussion with Commission Staff, Powder River has revised the
24 proposed LPT-CM rate to reflect separate components for the recovery of the OCA
25 adjustment component. Exhibit DWH 2nd Supp 1 is the calculation of the incremental rate
26 component related to the OCA costs. Exhibit DWH 2nd Supp 2 reflects the development
27 of the revised LPT-CM rate, the application of the revised rate and the projected impact.

28 Q. Is Powder River withdrawing its request to eliminate the COPA for the LPT-CM rate class?

29 A. In discussion with Commission Staff, it is evident that the elimination of the COPA for the
30 LPT-CM rate class in conjunction with the proposed rate changes is a concern. Therefore,
31 Powder River is withdrawing its request to eliminate the COPA for the LPT-CM rate class.
32 Powder River will continue to apply the COPA to the LPT-CM rate class. However, with
33 the proposed changes to the LPT-CM rate design, the base demand cost rate reflected in
34 the existing COPA will need to be revised to correspond to the proposed CP demand
35 wholesale unit rate. The demand component of the revised COPA will be \$19.70 per CP
36 kW which is the equivalent of the existing \$14.97 per NCP kW base demand rate.

37 Q. What is the proposed impact of the proposed rate revision?

38 A. The proposed change as reflected on Exhibit DWH 2nd Supp 2 is revenue neutral. The
39 calculation reflects a slight reduction due to rounding.

- 40 Q. Will maintaining the COPA for the LPT-CM rate class ensure that any future changes in
41 wholesale power costs are passed through on a dollar for dollar basis?
- 42 A. Yes.
- 43 Q. What is Powder River proposing with respect to the current level of over-recovery in the
44 COPA for the LPT-CM rate class?
- 45 A. Powder River proposes to refund the current level of over-recovery as of the decision in
46 this Docket. Through the June billing cycle, the current level of over-recovery to be
47 refunded to the LPT-CM rate class is \$1,111,144. Exhibit DWH 2nd Supp 2 provides the
48 current level of over-recovery. Powder River will provide Commission Staff the final
49 calculation of the over-recovery amount to be refunded for review once a decision has been
50 entered.
- 51 Q. Does that conclude your testimony?
- 52 A. Yes, it does.

POWDER RIVER ENERGY CORPORATION

CALCULATION OF ADDITIONAL RATE COMPONENT
INADVERTENTLY OMITTED

Billing Units

| | |
|---------------------------|---------------|
| Power Supply Demand - NCP | 2,167,897 |
| Power Supply Demand - CP | 1,647,327 |
| Energy kWh | 1,012,597,916 |

Docket No. 10014-168-CR-16

| | | |
|-------------------------------------|----|-------|
| PREC Proposed LPT NCP Demand Charge | \$ | 14.97 |
| OCA Approved LPT NCP Demand Charge | \$ | 15.00 |
| Difference | | 0.03 |

| | | |
|-----------------------------------|----|----------|
| PREC Proposed LPT Energy Charge | \$ | 0.029710 |
| OCA Approved LPT Energy Charge | \$ | 0.029999 |
| Incremental Energy Charge per kWh | \$ | 0.000289 |

POWDER RIVER ENERGY CORPORATION

SUMMARY OF DEVELOPMENT OF REVISED LPT RATE WITH CP BILLING DEMAND
 ACTUAL CUSTOMER DATA FOR TWELVE MONTHS ENDING OCTOBER 2018 AND BASIN 2019 WHOLESAL RATE
 UPDATED RATE DESIGN WITH COPA MECHANISM

| | Existing Rate | Revised Proposed Rate | Change | % Change |
|---------------------------------|------------------|-----------------------------|------------|----------|
| <u>Billing Units</u> | | | | |
| Customers | 156 | 156 | | |
| Distribution Demand | 2,167,897 | 2,167,897 | | |
| Power Supply Demand - NCP | 2,167,897 | 2,167,897 | | |
| Power Supply Demand - CP | | 1,647,327 | | |
| Energy kWh | 1,012,597,916 | 1,012,597,916 | | |
| <u>Rate</u> | | | | |
| Basic Charge | \$ 1,000.00 | \$ 1,000.00 | | |
| Distribution Demand Charge | \$ 0.90 | \$ 0.90 | | |
| Power Supply Demand Charge NCP | \$ 15.00 | \$ 0.03 | | |
| Power Supply Demand Charge CP | | \$ 19.70 | | |
| Energy Adjustment Charge | | \$ 0.000289 | | |
| Energy Charge | \$ 0.029999 | \$ 0.029710 | | |
| 2019 COPA Power Cost Charge | \$ 0.003691 | \$ 0.003691 | | |
| <u>Total Billing</u> | | | | |
| Basic Charge Billing | \$ 156,000 | \$ 156,000 | | |
| Distr. Demand Billing | \$ 1,951,107 | \$ 1,951,107 | | |
| Power Supply Demand Billing NCP | \$ 32,518,452 | \$ 65,037 | | |
| Power Supply Demand Billing CP | | \$ 32,452,332 | | |
| Energy Charge | \$ 30,376,925 | \$ 30,084,284 | | |
| Energy Adjustment Charge | | \$ 292,641 | | |
| COPA Charge | \$ 3,737,499 | \$ 3,737,499 | | |
| Total Billing | \$ 68,739,982 | \$ 68,738,900 | \$ (1,083) | 0.00% |
| <u>Cost of Power Adjustment</u> | | | | |
| Base Demand Cost per NCP kW | \$ 14.97 | | | |
| Base Demand Cost per CP kW | | 19.70 | | |
| Base Energy Cost \$/kWh Sold | \$ 0.029710 | \$ 0.029710 | | |

POWDER RIVER ENERGY CORPORATION

CALCULATION OF ONE-TIME REFUND AMOUNT FOR LPT-CM CUSTOMER
RELATED TO OVER-RECOVERY INCLUDED IN COPA AND RECONCILIATION OF COPA

| | Days | (Over)/Under Recovery | True Up in COPA | Balance | Interest Rate | Interest | Total (Over)/Under Recovery |
|-------------------|------|--------------------------|--------------------|-------------------|------------------|---------------|-----------------------------------|
| Beginning Balance | | | | | | | \$ (2,775,467.00) |
| October 2018 | 31 | \$ (95,563.92) | \$ 299,429.88 | \$ (2,571,601.04) | 2.63% | \$ (5,744.18) | \$ (2,577,345.22) |
| November 2018 | 30 | \$ (83,130.58) | \$ 292,964.95 | \$ (2,367,510.85) | 2.63% | \$ (5,117.72) | \$ (2,372,628.57) |
| December 2018 | 31 | \$ (142,376.08) | \$ 312,588.01 | \$ (2,202,416.63) | 2.63% | \$ (4,919.54) | \$ (2,207,336.17) |
| January 2019 | 31 | \$ (65,840.59) | \$ 266,088.41 | \$ (2,007,088.36) | 3.53% | \$ (6,017.42) | \$ (2,013,105.78) |
| Februrary 2019 | 28 | \$ 102,263.42 | \$ 246,720.05 | \$ (1,664,122.31) | 3.53% | \$ (4,506.35) | \$ (1,668,628.66) |
| March 2019 | 31 | \$ (153,080.41) | \$ 240,098.67 | \$ (1,581,610.40) | 3.53% | \$ (4,741.80) | \$ (1,586,352.20) |
| April 2019 | 30 | \$ (154,206.00) | \$ 225,524.68 | \$ (1,515,033.52) | 3.53% | \$ (4,395.67) | \$ (1,519,429.19) |
| May 2019 | 31 | \$ 101,183.00 | \$ 216,443.45 | \$ (1,201,802.74) | 3.53% | \$ (3,603.10) | \$ (1,205,405.84) |
| Jun-19 | 30 | \$ (112,541.00) | \$ 210,017.18 | \$ (1,107,929.66) | 3.53% | \$ (3,214.51) | \$ (1,111,144.17) |

THE PUBLIC SERVICE COMMISSION OF WYOMING

NAME: Powder River Energy Corporation
 ADDRESS: P.O. Box 930, Sundance, WY 82729

WY PSC Tariff No. 9
 3rd 2nd Revised Sheet No. 2
 Cancelling 2nd 1st Revised Sheet No. 2

| TARIFF RATE RIDER - continued - | | | | | |
|---|------------|-------------------------------|---|-----------------------|---|
| Class | Rate Codes | Billing Unit | 2017 Approved Base Rate | 2019 COPA* | Total Rate |
| General Service (GS) | 040 | <u>Basic Charge</u> | | | |
| | 041 | Single-Phase | \$35.00 | | \$35.00 |
| | 140 | Three-Phase | \$40.00 | | \$40.00 |
| | 141 | \$/kWh - All kWh | \$0.079500 | \$0.007064 | \$0.086564 |
| Large Power (LP) | 050 | <u>Basic Charge</u> | \$175.00 | | \$175.00 |
| | 050A | <u>\$/kWh</u> | | | |
| | 051 | First 200 kWh/mon/kW | \$0.066050 | \$0.007064 | \$0.073114 |
| | 051A | Excess kWh/mon | \$0.046050 | \$0.007064 | \$0.053114 |
| | | <u>\$/kW</u> | | | |
| | | First 50 kW | \$3.25 | | \$3.25 |
| | | Excess kW | \$6.25 | | \$6.25 |
| Irrigation (I) | 030 | \$/kWh - All kWh | \$0.077500 | \$0.007064 | \$0.084564 |
| | | Annual Charge / H.P. | \$22.50 | | \$22.50 |
| Outdoor Lighting (OL) | OL | <u>\$/Month</u> | | | |
| | | 175W - MV | \$9.00 | \$0.58 | \$9.58 |
| | | 100W - HPS | \$9.00 | \$0.37 | \$9.37 |
| | | 150 W - HPS | \$9.00 | \$0.55 | \$9.55 |
| Street Lighting (SL) | 080 | <u>\$/Month</u> | | | |
| | | 100W - HPS | \$9.00 | \$0.37 | \$9.37 |
| | | 150W - HPS | \$9.00 | \$0.55 | \$9.55 |
| | | 175W - MV | \$9.00 | \$0.58 | \$9.58 |
| | | 400W - MV | \$16.00 | \$1.22 | \$17.22 |
| | | 400W - HPS | \$16.00 | \$1.33 | \$17.33 |
| Large Power Transmission Coal Mine (LPT-CM) | 303 | <u>Distribution Component</u> | | | |
| | | Basic Charge | \$1,000.00 | | \$1,000.00 |
| | | Demand Charge | \$0.90/NCP Billing kW | | \$0.90/NCP Billing kW |
| | | <u>Power Supply Component</u> | | | |
| | | WPC Demand Charge CP | \$45.00 \$19.70/NCP Billing kW | | \$45.00 \$19.70/NCP Billing kW |
| | | WPC Energy Charge | \$0.029999 \$0.029710 | \$0.000854 \$0.003691 | \$0.029999 \$0.033401 |
| | | PS Demand Charge NCP | \$0.03/NCP Billing kW | | \$0.03/NCP Billing kW |
| PS Energy Charge | \$0.000289 | | \$0.000289 | | |

Rate Schedules are subject to monthly minimums as stated on the individual rate schedule sheet.
 *Reference Sheet No. 37, Rate Schedule BA for more information on the COPA.

Date Issued: ~~December 14, 2018~~ August 6, 2019

Date Effective: ~~January 1, 2019~~ June 1, 2019

By: 

Title: Chief Executive Officer
 Docket No. 10014-193-GP-18 10014-198-CT-19

THE PUBLIC SERVICE COMMISSION OF WYOMING

NAME: Powder River Energy Corporation
 ADDRESS: P.O. Box 930, Sundance, WY 82729

WY PSC

Tariff No. 9
 3rd Revised Sheet No. 2
 Cancelling 2nd Revised Sheet No. 2

| TARIFF RATE RIDER | | | | | |
|---|-----------------------|-------------------------------|--------------------------------|-------------------|-----------------------|
| - continued - | | | | | |
| Class | Rate Codes | Billing Unit | 2017 Approved Base Rate | 2019 COPA* | Total Rate |
| General Service (GS) | 040 | <u>Basic Charge</u> | | | |
| | 041 | Single-Phase | \$35.00 | | \$35.00 |
| | 140 | Three-Phase | \$40.00 | | \$40.00 |
| | 141 | \$/kWh - All kWh | \$0.079500 | \$0.007064 | \$0.086564 |
| Large Power (LP) | 050 | Basic Charge | \$175.00 | | \$175.00 |
| | 050A | <u>\$/kWh</u> | | | |
| | 051 | First 200 kWh/mon/kW | \$0.066050 | \$0.007064 | \$0.073114 |
| | 051A | Excess kWh/mon | \$0.046050 | \$0.007064 | \$0.053114 |
| | | <u>\$/kW</u> | | | |
| | First 50 kW | \$3.25 | | \$3.25 | |
| | Excess kW | \$6.25 | | \$6.25 | |
| Irrigation (I) | 030 | \$/kWh - All kWh | \$0.077500 | \$0.007064 | \$0.084564 |
| | | Annual Charge / H.P. | \$22.50 | | \$22.50 |
| Outdoor Lighting (OL) | OL | <u>\$/Month</u> | | | |
| | | 175W - MV | \$9.00 | \$0.58 | \$9.58 |
| | | 100W - HPS | \$9.00 | \$0.37 | \$9.37 |
| | | 150 W - HPS | \$9.00 | \$0.55 | \$9.55 |
| Street Lighting (SL) | 080 | <u>\$/Month</u> | | | |
| | | 100W - HPS | \$9.00 | \$0.37 | \$9.37 |
| | | 150W - HPS | \$9.00 | \$0.55 | \$9.55 |
| | | 175W - MV | \$9.00 | \$0.58 | \$9.58 |
| | | 400W - MV | \$16.00 | \$1.22 | \$17.22 |
| | | 400W - HPS | \$16.00 | \$1.33 | \$17.33 |
| Large Power Transmission Coal Mine (LPT-CM) | 303 | <u>Distribution Component</u> | | | |
| | | Basic Charge | \$1,000.00 | | \$1,000.00 |
| | | Demand Charge | \$0.90/NCP Billing kW | | \$0.90/NCP Billing kW |
| | | <u>Power Supply Component</u> | | | |
| | | WPC Demand Charge CP | \$19.70/CP Billing kW | | \$19.70/CP Billing kW |
| | | WPC Energy Charge | \$0.029710 | \$0.003691 | \$0.033401 |
| PS Demand Charge NCP | \$0.03/NCP Billing kW | | \$0.03/NCP Billing kW | | |
| | | PS Energy Charge | \$0.000289 | | \$0.000289 |

Rate Schedules are subject to monthly minimums as stated on the individual rate schedule sheet.
 *Reference Sheet No. 37, Rate Schedule BA for more information on the COPA.

Date Issued: August 6, 2019

Date Effective: June 1, 2019

By: 

Title: Chief Executive Officer
 Docket No. 10014-198-CT-19

Rate Schedule: Large Power Transmission Level - Coal Mines (LPT - CM)

APPLICABILITY

Applicable to coal mining members who take delivery of electric service at the Corporation's transmission voltage and metered at one point of delivery or as determined by the Corporation.

AVAILABILITY

Available within the certificated territory of Powder River Energy Corporation.

TYPE OF SERVICE

Alternating current, 60 cycles, three-phase.

RATE

DISTRIBUTION COMPONENT

Basic Charge: \$1,000.00 per month
Demand Charge: \$0.90 per kW per month of maximum metered demand Non-Coincident Peak (NCP)

POWER SUPPLY COMPONENT

WPS Demand Charge: ~~\$19.79~~~~15.00~~ per kW per month of maximum metered demand
Coincident Peak (NCP)
WPS Energy Charge: ~~\$0.0297103254729999~~ per kWh per month
PS Demand Charge ~~\$0.03~~ per KW per month of maximum metered demand Non-Coincident Peak
PS Energy Charge ~~\$0.000289~~ per kWh per month

Plus, the COPA factor shown on Sheet No. 2. The COPA mechanism is described in detail beginning on Sheet No. 37.

ADDITIONAL CHARGES

Any amount authorized under the Corporation's Standard Line Extension Policy as referenced in Section V of the Corporation's Rules and Regulations shall be in addition to charges of this rate schedule.

DETERMINATION OF NCP BILLING DEMAND

The NCP Billing Demand shall be the maximum kilowatt demand established by the member for any period of fifteen (15) consecutive minutes during the period for which the bill is rendered, as indicated or recorded by a demand meter or otherwise determined and adjusted for power factor, but in no event will the Billing Demand be less than sixty (60) percent of the highest Billing Demand established

Issued by
Michael E. Easley, Chief Executive Officer

Issued: ~~April 2, 2019~~ August 6, 2019

Effective: June 1, 2019

Dkt. No. 10014-198-CT-19

Rate Schedule: Large Power Transmission Level - Coal Mines (LPT - CM)

during any of the immediately preceding eleven (11) months. A minimum Billing Demand will be established in the contract for service.

DETERMINATION OF CP BILLING DEMAND

The CP Billing Demand shall be the maximum kilowatt demand established by the member coincident with the time of the Cooperative's monthly system peak utilized by Basin for purposes of determining the wholesale demand billing, as indicated or recorded by a demand meter or otherwise determined and adjusted for ~~the~~ power factor.DETERMINATION OF DEMAND CHARGE

The demand charge shall be calculated on the maximum kW demand established by the member for any period of fifteen (15) consecutive minutes during the period for which the bill is rendered, as indicated or recorded by a demand meter or otherwise determined and adjusted for power factor, but in no event will the demand charge be less than sixty percent (60%) of the highest metered demand established during any of the immediately preceding eleven (11) months.

Issued by
Michael E. Easley, Chief Executive Officer

Issued: ~~April 2, 2019~~ August 6, 2019

Effective: June 1, 2019

Dkt. No. 10014-198-CT-19

Rate Schedule: Large Power Transmission Level - Coal Mines (LPT - CM)

POWER FACTOR

The member agrees to maintain a unity power factor, or power factor as near to one hundred (100) percent as practical. If at any time the measured power factor shall be less than ninety (90) percent, or ninety-five (95) percent for LPT-CBM, the Corporation may request, upon sixty (60) days' written notice, and at the member's expense, the member to take such corrective action as necessary to correct his/her power factor to within required limits. Until corrected and for billing purposes, the member's Billing Demand shall be increased one (1) percent for each one (1) percent the measured power factor is less than that required by this Rate Schedule.

MINIMUM MONTHLY CHARGE

The minimum monthly charge will be sixty (60) percent of the highest NCP billing demand established during any of the immediately preceding eleven (11) months for the distribution component demand charge, plus the Basic Charge.

BILLING ADJUSTMENT

This rate is subject to all billing adjustment charges, and such adjustment charges shall be billed in addition to the minimum charges.

TERMS OF PAYMENT

If the payment for electric service is not received in the Corporation's offices via U.S. mail, electronically, or at one of the banking institutions that offer the Corporation's bill paying service by the "Delinquent After" date shown on the billing statement or the bill shall be deemed past due. A late payment charge as stated in the Rate Schedule referenced in Section VII of the Corporation's Rules and Regulations, will be added to the monthly billed amount.

MEMBER'S RESPONSIBILITY

- 1) The member shall not permit anyone who is not an approved agent of the Corporation to remove or tamper with the Corporation's property.
- 2) The non-residential member shall provide coordinated sectionalizing equipment (i.e. fused or breaker disconnects, fused cutouts, reclosers or breakers), acceptable to the Corporation, immediately adjacent to the Corporation's point of delivery. The member's sectionalizing equipment is required to protect the system of the Corporation from faults, transients and over-currents conditions that occur on the system of the member. This equipment may also provide a suitable means for the member to disconnect from the system of the Corporation. The

Issued by
Michael E. Easley, Chief Executive Officer

Issued: ~~April 2, 2019~~ August 6, 2019

Effective: June 1, 2019

Dkt. No. 10014-198-CT-19

Powder River Energy Corporation
P.O. Box 930
Sundance, WY 82729
No. ~~23~~³³

Wyoming PSC No. 9

1st Revised ~~Original~~ Sheet

Cancelling Original Sheet No. 23

Rate Schedule: Large Power Transmission Level - Coal Mines (LPT - CM)

MEMBER'S RESPONSIBILITY (cont'd)

2) —sectionalizing equipment shall coordinate with the sectionalizing equipment on the Corporation's system. The member shall submit their recommended sectionalizing equipment,

Issued by

Michael E. Easley, Chief Executive Officer

Issued: ~~April 2, 2019~~ August 6, 2019

Effective: June 1, 2019

Dkt. No. 10014-198-CT-19

Rate Schedule: Large Power Transmission Level - Coal Mines (LPT - CM)

MEMBER'S RESPONSIBILITY (cont'd)

with Time Current Characteristic (TCC) information, to the Corporation for review and approval by the Corporation's engineering department.

- 3) When disturbances in the Corporation's electrical system are observed, the Corporation will investigate and determine the cause and corrective action. If it is determined the disturbances are caused by the member's system, the member may be required to install proper corrective equipment or make adjustments in its operation to alleviate the disturbance.
- 4) All wiring, pole line and other electrical equipment beyond the metering point shall be furnished, installed and adequately maintained by the member.

CHANGES IN MEMBER'S ELECTRICAL EQUIPMENT

In the event the member makes a substantial change in the original characteristics of its electrical service, the member shall notify the Corporation in advance of such change. The Corporation will then evaluate any needed or necessary adjustments in its service prior to the member making such change.

Any costs associated with needed adjustments may require a contribution on behalf of the member. The member, when failing to advise the Corporation of changes in a timely manner, assumes responsibility for any subsequent damage to his/her or the Corporation's property.

RULES AND REGULATIONS

Service supplied under this schedule is subject to the terms and conditions set forth in the Corporation's Rules and Regulations on file with the Wyoming Public Service Commission.

Issued by
Michael E. Easley, Chief Executive Officer

Issued: ~~April 2, 2019~~ August 6, 2019

Effective: June 1, 2019

Dkt. No. 10014-198-CT-19

Rate Schedule: Large Power Transmission Level - Coal Mines (LPT - CM)

APPLICABILITY

Applicable to coal mining members who take delivery of electric service at the Corporation's transmission voltage and metered at one point of delivery or as determined by the Corporation.

AVAILABILITY

Available within the certificated territory of Powder River Energy Corporation.

TYPE OF SERVICE

Alternating current, 60 cycles, three-phase.

RATE

DISTRIBUTION COMPONENT

Basic Charge: \$1,000.00 per month
Demand Charge: \$0.90 per kW per month of maximum metered demand Non-Coincident Peak (NCP)

POWER SUPPLY COMPONENT

WPS Demand Charge: \$19.70 per kW per month of maximum metered demand Coincident Peak (CP)
WPS Energy Charge: \$0.029710 per kWh per month
PS Demand Charge \$0.03 per KW per month of maximum metered demand Non-Coincident Peak
PS Energy Charge \$0.000289 per kWh per month
Plus, the COPA factor shown on Sheet No. 2. The COPA mechanism is described in detail beginning on Sheet No. 37.

ADDITIONAL CHARGES

Any amount authorized under the Corporation's Standard Line Extension Policy as referenced in Section V of the Corporation's Rules and Regulations shall be in addition to charges of this rate schedule.

DETERMINATION OF NCP BILLING DEMAND The NCP Billing Demand shall be the maximum kilowatt demand established by the member for any period of fifteen (15) consecutive minutes during the period for which the bill is rendered, as indicated or recorded by a demand meter or otherwise determined and adjusted for power factor, but in no event will the Billing Demand be less than sixty (60) percent of the highest Billing Demand established during any of the immediately preceding eleven (11) months. A minimum Billing Demand will be established in the contract for service.

Issued by
Michael E. Easley, Chief Executive Officer

Rate Schedule: Large Power Transmission Level - Coal Mines (LPT - CM)

DETERMINATION OF CP BILLING DEMAND

The CP Billing Demand shall be the maximum kilowatt demand established by the member coincident with the time of the Cooperative's monthly system peak utilized by Basin for purposes of determining the wholesale demand billing, as indicated or recorded by a demand meter or otherwise determined and adjusted for power factor.

POWER FACTOR

The member agrees to maintain a unity power factor, or power factor as near to one hundred (100) percent as practical. If at any time the measured power factor shall be less than ninety (90) percent, or ninety-five (95) percent for LPT-CBM, the Corporation may request, upon sixty (60) days' written notice, and at the member's expense, the member to take such corrective action as necessary to correct his/her power factor to within required limits. Until corrected and for billing purposes, the member's Billing Demand shall be increased one (1) percent for each one (1) percent the measured power factor is less than that required by this Rate Schedule.

MINIMUM MONTHLY CHARGE

The minimum monthly charge will be sixty (60) percent of the highest NCP billing demand established during any of the immediately preceding eleven (11) months for the distribution component demand charge, plus the Basic Charge.

BILLING ADJUSTMENT

This rate is subject to all billing adjustment charges, and such adjustment charges shall be billed in addition to the minimum charges.

TERMS OF PAYMENT

If the payment for electric service is not received in the Corporation's offices via U.S. mail, electronically, or at one of the banking institutions that offer the Corporation's bill paying service by the "Delinquent After" date shown on the billing statement or the bill shall be deemed past due. A late payment charge as stated in the Rate Schedule referenced in Section VII of the Corporation's Rules and Regulations, will be added to the monthly billed amount.

MEMBER'S RESPONSIBILITY

- 1) The member shall not permit anyone who is not an approved agent of the Corporation to remove or tamper with the Corporation's property.
- 2) The non-residential member shall provide coordinated sectionalizing equipment (i.e. fused or breaker disconnects, fused cutouts, reclosers or breakers), acceptable to the Corporation, immediately adjacent to the Corporation's point of delivery. The member's sectionalizing equipment is required to protect the system of the Corporation from faults, transients and over-currents conditions that occur on the system of the member. This equipment may also provide a suitable means for the member to disconnect from the system of the Corporation. The

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Rate Schedule: Large Power Transmission Level - Coal Mines (LPT - CM)

MEMBER'S RESPONSIBILITY (cont'd)

- sectionalizing equipment shall coordinate with the sectionalizing equipment on the Corporation's system. The member shall submit their recommended sectionalizing equipment, with Time Current Characteristic (TCC) information, to the Corporation for review and approval by the Corporation's engineering department.
- 3) When disturbances in the Corporation's electrical system are observed, the Corporation will investigate and determine the cause and corrective action. If it is determined the disturbances are caused by the member's system, the member may be required to install proper corrective equipment or make adjustments in its operation to alleviate the disturbance.
 - 4) All wiring, pole line and other electrical equipment beyond the metering point shall be furnished, installed and adequately maintained by the member.

CHANGES IN MEMBER'S ELECTRICAL EQUIPMENT

In the event the member makes a substantial change in the original characteristics of its electrical service, the member shall notify the Corporation in advance of such change. The Corporation will then evaluate any needed or necessary adjustments in its service prior to the member making such change.

Any costs associated with needed adjustments may require a contribution on behalf of the member. The member, when failing to advise the Corporation of changes in a timely manner, assumes responsibility for any subsequent damage to his/her or the Corporation's property.

RULES AND REGULATIONS

Service supplied under this schedule is subject to the terms and conditions set forth in the Corporation's Rules and Regulations on file with the Wyoming Public Service Commission.

Issued by
Michael E. Easley, Chief Executive Officer

Rate Schedule: Billing Adjustments (BA)

I. COST OF POWER ADJUSTMENTS (COPA)

APPLICABILITY

The Corporation shall adjust its members' electric bills in accordance with the following COPA factor as applicable to the rate class or group of rate classes.

CALCULATION OF COPA FACTOR

On an annual basis, or as needed for power cost changes, the Corporation will file an application to establish a COPA factor to be included in its Tariffs, which generally are effective in January of each calendar year. The COPA factor for each rate class or group of rate classes will be determined by dividing the estimated over- or under-recovery of projected purchased power cost for the rate class or group by its sales. The amount of any over- or under-recovery projected for the application period will be adjusted for any over- or under-recovery from periods since the last true-up.

PURCHASED POWER COST DETERMINATION

The estimated purchased power cost for each upcoming year will be determined by projecting total system energy and demand requirements and applying the appropriate wholesale rate to the projected purchases. Fixed charges and other miscellaneous charges and credits that are part of the wholesale power bill will be included in the determination of the purchased power cost.

The purchased power cost for the LPT-CM, LPT-G and LPT-CBM rate classes will be determined based on the projected demand and energy requirements for each class. Fixed charges and other miscellaneous charges and credits will be allocated to these rate classes based on projected coincident peak demand. Once the purchased power costs have been determined for the LPT-CM, LPT-G and LPT-CBM rate classes, the remaining power cost will be assigned to all the other remaining rate classes.

DETERMINATION OF TRUE-UP PERIOD

The true-up period used to accumulate any over- or under-recovery of purchased power cost associated with the COPA shall be the periods since the last true-up. The balance of any over- or under-recovery in the true-up period will be amortized over the application period identified.

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Rate Schedule: Billing Adjustments (BA)

CALCULATION OF OVER- OR UNDER-RECOVERY IN THE TRUE-UP PERIOD

The actual purchased power cost for the LPT-CM, LPT-G and LPT-CBM rate classes for each of the months in the true-up period will be determined based on the energy sales to each rate class (adjusted for losses) and each rate class's contribution to the system's coincident peak. The appropriate wholesale rate will be applied to the purchases allocated to each of the rate classes. Fixed charges and other miscellaneous charges and credits will be allocated to the various rate classes based on their actual coincident peak demand. Once the purchased power costs have been determined for the LPT-CM, LPT-G, and LPT-CBM rate classes, the remaining power cost will be assigned to all the other remaining rate classes.

The power cost recovered through the retail billing of sales in the true-up period will be determined for each rate class or group of rate classes based upon the actual kWh sold in each month multiplied by the base power cost in the rate class's retail rates. The power cost recovered in the base rates will be compared to the actual purchased power cost to determine any over- or under-recovery in each month of the true-up period. Any over- or under-recovery will be adjusted by the amount of the power cost component in the COPA revenue recovered or returned in the month.

CALCULATION OF INTEREST ON OVER-RECOVERY

Interest will be computed on the balancing account's cumulative end-of-month balance for each month the account reflects an over-recovery. The interest amount will be calculated from the Commission Authorized Interest Rate, divided by the number of days in the year and multiplied by the number of days in the month. The balancing account's cumulative balance will include each month's interest amount.

1. COPA FOR ALL RATE CLASSES EXCLUSIVE OF LPT-CM, LPT-G AND LPT-CBM

The Corporation shall adjust all electric bills in all rate classes except LPT-CM, LPT-G and LPT-CBM in accordance with the following:

$$\text{COPA} = \frac{(A - B \pm C + D)}{\text{kWh}}$$

Where:

COPA = Cost of Power Adjustment factor (expressed in \$ per kWh) to be applied to energy sales in the application period.

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Rate Schedule: Billing Adjustments (BA)

COPA FOR ALL RATE CLASSES EXCLUSIVE OF LPT-CM, LPT-G AND LPT-CBM (cont'd)

| | | |
|-----|---|--|
| A | = | Total estimated purchased power cost (excluding kWh sales to the LPT-CM, LPT-G, and LPT-CBM rate classes and excluding costs recovered from other entities) from all suppliers for the application period. |
| B | = | Total estimated purchased power cost included in the Corporation's base retail rates (excluding kWh sales to the LPT-CM, LPT-G and LPT-CBM rate classes). The base power cost is computed as: = (E) (kWh) E = -Base power cost of \$0.057755 per kWh sold. |
| C | = | Adjustment to be applied to the current annual COPA billing to account for differences in actual purchased power cost and the actual COPA billing in the application period (excluding kWh sales to the LPT-CM, LPT-G and LPT-CBM rate classes). |
| D | = | Adjustment to be applied to the current annual COPA billing to account for accrued interest on any over-collected balance in the true-up period. |
| kWh | = | Total estimated energy sales (excluding kWh sales to the LPT-CM, LPT-G and LPT-CBM rate classes and excluding kWh sold to other entities) in the application period. |

2. COPA FACTOR FOR LPT-CM CLASS

The Corporation shall adjust all bills in rate class LPT-CM in accordance with the following:

$$\text{COPA} = \frac{(A - B \pm C + D)}{\text{kWh}}$$

Where:

| | | |
|------|---|---|
| COPA | = | Cost of Power Adjustment factor (expressed in \$ per kWh) to be applied to LPT-CM energy sales in the application period. |
| A | = | Total estimated purchased power cost from all suppliers either applied directly or directly allocated to the LPT-CM class for the application period. |

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Rate Schedule: Billing Adjustments (BA)

COPA FACTOR FOR LPT-CM CLASS (cont'd)

- B = Total estimated purchased power cost included in the base retail rates for the LPT-CM rate class in application period. The base power cost is computed as the sum of the following:
- Demand Cost = \$~~19.704~~.97 per kW of Metered ~~N~~CP Billing kW
- Energy Cost = \$0.029710 per kWh of Metered kWh
- C = Adjustment to be applied to the current annual COPA billing to account for differences in actual purchased power cost and actual COPA billing in the true-up period.
- D = Adjustment to be applied to the current annual COPA billing to account for accrued interest on any over-collected balance in the true-up period.
- kWh = Total estimated energy sales to the LPT-CM rate class in application period.

3. COPA FACTOR FOR LPT-G AND LPT-CBM CLASSES

The Corporation shall adjust all bills in rate class LPT-G and LPT-CBM in accordance with the following:

$$\text{COPA} = \frac{(A - B \pm C + D)}{\text{kWh}}$$

- Where:
- COPA = Cost of Power Adjustment factor (expressed in \$ per kWh) to be applied to all LPT-G and LPT-CBM energy sales in the application period.
- A = Total estimated purchased power cost from all suppliers either applied directly or directly allocated to the LPT-G and LPT-CBM rate class for the application period.
- B = Total estimated purchased power cost included in the base retail rates for the LPT-G and LPT-CBM rate class in the application period. The base power cost is computed as the sum of the following:

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Rate Schedule: Billing Adjustments (BA)

Demand Cost = \$18.10 per kW of CP Billing Demand
Energy Cost = \$0.029210 per kWh of Metered kWh

COPA FACTOR FOR LPT-G AND LPT-CBM CLASSES (cont'd)

C = Adjustment to be applied to the current annual COPA billing to account for differences in actual purchased power cost and actual COPA billing in the true-up period.

D = Adjustment to be applied to the current annual COPA billing to account for accrued interest on any over-collected balance in the true-up period.

kWh = Total estimated energy sales to the LPT-G and LPT-CBM rate class in the application period.

II. ADDITIONAL FUEL COST SURCHARGE FOR GENERAL SERVICE – COAL BED METHANE, LARGE POWER – COAL BED METHANE, AND LARGE POWER TRANSMISSION – COAL BED METHANE

As allowed by the Wyoming Public Service Commission in Docket No. 10014-CR-01-53, in the event the wholesale supplier includes additional fuel charges directly related and assignable to service provided to the coal bed methane member classes, the Corporation will directly recover these fuel costs from these classes on a per-kWh-sold basis. Only the additional fuel related charges specifically identifiable on the wholesale power bill for service provided to the coal bed methane classes of members will be recoverable. The surcharge amount will be determined on a monthly basis.

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Powder River Energy Corporation
P.O. Box 930
Sundance, WY 82729

Wyoming PSC No. 9

~~Original~~ 1st Revised Sheet No. 41
~~Cancelling Original Sheet No. 41~~

Rate Schedule: Billing Adjustments (BA)

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CT-19

Rate Schedule: Billing Adjustments (BA)

I. COST OF POWER ADJUSTMENTS (COPA)

APPLICABILITY

The Corporation shall adjust its members' electric bills in accordance with the following COPA factor as applicable to the rate class or group of rate classes.

CALCULATION OF COPA FACTOR

On an annual basis, or as needed for power cost changes, the Corporation will file an application to establish a COPA factor to be included in its Tariffs, which generally are effective in January of each calendar year. The COPA factor for each rate class or group of rate classes will be determined by dividing the estimated over- or under-recovery of projected purchased power cost for the rate class or group by its sales. The amount of any over- or under-recovery projected for the application period will be adjusted for any over- or under-recovery from periods since the last true-up.

PURCHASED POWER COST DETERMINATION

The estimated purchased power cost for each upcoming year will be determined by projecting total system energy and demand requirements and applying the appropriate wholesale rate to the projected purchases. Fixed charges and other miscellaneous charges and credits that are part of the wholesale power bill will be included in the determination of the purchased power cost.

The purchased power cost for the LPT-CM, LPT-G and LPT-CBM rate classes will be determined based on the projected demand and energy requirements for each class. Fixed charges and other miscellaneous charges and credits will be allocated to these rate classes based on projected coincident peak demand. Once the purchased power costs have been determined for the LPT-CM, LPT-G and LPT-CBM rate classes, the remaining power cost will be assigned to all the other remaining rate classes.

DETERMINATION OF TRUE-UP PERIOD

The true-up period used to accumulate any over- or under-recovery of purchased power cost associated with the COPA shall be the periods since the last true-up. The balance of any over- or under-recovery in the true-up period will be amortized over the application period identified.

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Rate Schedule: Billing Adjustments (BA)

CALCULATION OF OVER- OR UNDER-RECOVERY IN THE TRUE-UP PERIOD

The actual purchased power cost for the LPT-CM, LPT-G and LPT-CBM rate classes for each of the months in the true-up period will be determined based on the energy sales to each rate class (adjusted for losses) and each rate class's contribution to the system's coincident peak. The appropriate wholesale rate will be applied to the purchases allocated to each of the rate classes. Fixed charges and other miscellaneous charges and credits will be allocated to the various rate classes based on their actual coincident peak demand. Once the purchased power costs have been determined for the LPT-CM, LPT-G, and LPT-CBM rate classes, the remaining power cost will be assigned to all the other remaining rate classes.

The power cost recovered through the retail billing of sales in the true-up period will be determined for each rate class or group of rate classes based upon the actual kWh sold in each month multiplied by the base power cost in the rate class's retail rates. The power cost recovered in the base rates will be compared to the actual purchased power cost to determine any over- or under-recovery in each month of the true-up period. Any over- or under-recovery will be adjusted by the amount of the power cost component in the COPA revenue recovered or returned in the month.

CALCULATION OF INTEREST ON OVER-RECOVERY

Interest will be computed on the balancing account's cumulative end-of-month balance for each month the account reflects an over-recovery. The interest amount will be calculated from the Commission Authorized Interest Rate, divided by the number of days in the year and multiplied by the number of days in the month. The balancing account's cumulative balance will include each month's interest amount.

1. COPA FOR ALL RATE CLASSES EXCLUSIVE OF LPT-CM, LPT-G AND LPT-CBM

The Corporation shall adjust all electric bills in all rate classes except LPT-CM, LPT-G and LPT-CBM in accordance with the following:

$$\text{COPA} = \frac{(A - B \pm C + D)}{\text{kWh}}$$

Where:
COPA = Cost of Power Adjustment factor (expressed in \$ per kWh) to be applied to energy sales in the application period.

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Rate Schedule: Billing Adjustments (BA)

COPA FOR ALL RATE CLASSES EXCLUSIVE OF LPT-CM, LPT-G AND LPT-CBM (cont'd)

| | | |
|-----|---|---|
| A | = | Total estimated purchased power cost (excluding kWh sales to the LPT-CM, LPT-G, and LPT-CBM rate classes and excluding costs recovered from other entities) from all suppliers for the application period. |
| B | = | Total estimated purchased power cost included in the Corporation's base retail rates (excluding kWh sales to the LPT-CM, LPT-G and LPT-CBM rate classes). The base power cost is computed as: = (E) (kWh) E = Base power cost of \$0.057755 per kWh sold. |
| C | = | Adjustment to be applied to the current annual COPA billing to account for differences in actual purchased power cost and the actual COPA billing in the application period (excluding kWh sales to the LPT-CM, LPT-G and LPT-CBM rate classes). |
| D | = | Adjustment to be applied to the current annual COPA billing to account for accrued interest on any over-collected balance in the true-up period. |
| kWh | = | Total estimated energy sales (excluding kWh sales to the LPT-CM, LPT-G and LPT-CBM rate classes and excluding kWh sold to other entities) in the application period. |

2. COPA FACTOR FOR LPT-CM CLASS

The Corporation shall adjust all bills in rate class LPT-CM in accordance with the following:

$$\text{COPA} = \frac{(A - B \pm C + D)}{\text{kWh}}$$

Where:

| | | |
|------|---|---|
| COPA | = | Cost of Power Adjustment factor (expressed in \$ per kWh) to be applied to LPT-CM energy sales in the application period. |
| A | = | Total estimated purchased power cost from all suppliers either applied directly or directly allocated to the LPT-CM class for the application period. |

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Rate Schedule: Billing Adjustments (BA)

COPA FACTOR FOR LPT-CM CLASS (cont'd)

| | | |
|-----|---|--|
| B | = | Total estimated purchased power cost included in the base retail rates for the LPT-CM rate class in application period. The base power cost is computed as the sum of the following: Demand Cost = \$19.70 per kW of Metered CP Billing kW Energy Cost = \$0.029710 per kWh of Metered kWh |
| C | = | Adjustment to be applied to the current annual COPA billing to account for differences in actual purchased power cost and actual COPA billing in the true-up period. |
| D | = | Adjustment to be applied to the current annual COPA billing to account for accrued interest on any over-collected balance in the true-up period. |
| kWh | = | Total estimated energy sales to the LPT-CM rate class in application period. |

3. COPA FACTOR FOR LPT-G AND LPT-CBM CLASSES

The Corporation shall adjust all bills in rate class LPT-G and LPT-CBM in accordance with the following:

$$\text{COPA} = \frac{(A - B \pm C + D)}{\text{kWh}}$$

Where:

| | | |
|------|---|---|
| COPA | = | Cost of Power Adjustment factor (expressed in \$ per kWh) to be applied to all LPT-G and LPT-CBM energy sales in the application period. |
| A | = | Total estimated purchased power cost from all suppliers either applied directly or directly allocated to the LPT-G and LPT-CBM rate class for the application period. |
| B | = | Total estimated purchased power cost included in the base retail rates for the LPT-G and LPT-CBM rate class in the application period. The base power cost is computed as the sum of the following: Demand Cost = \$18.10 per kW of CP Billing Demand Energy Cost = \$0.029210 per kWh of Metered kWh |

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Rate Schedule: Billing Adjustments (BA)

COPA FACTOR FOR LPT-G AND LPT-CBM CLASSES (cont'd)

| | | |
|-----|---|--|
| C | = | Adjustment to be applied to the current annual COPA billing to account for differences in actual purchased power cost and actual COPA billing in the true-up period. |
| D | = | Adjustment to be applied to the current annual COPA billing to account for accrued interest on any over-collected balance in the true-up period. |
| kWh | = | Total estimated energy sales to the LPT-G and LPT-CBM rate class in the application period. |

II. ADDITIONAL FUEL COST SURCHARGE FOR GENERAL SERVICE – COAL BED METHANE, LARGE POWER – COAL BED METHANE, AND LARGE POWER TRANSMISSION – COAL BED METHANE

As allowed by the Wyoming Public Service Commission in Docket No. 10014-CR-01-53, in the event the wholesale supplier includes additional fuel charges directly related and assignable to service provided to the coal bed methane member classes, the Corporation will directly recover these fuel costs from these classes on a per-kWh-sold basis. Only the additional fuel related charges specifically identifiable on the wholesale power bill for service provided to the coal bed methane classes of members will be recoverable. The surcharge amount will be determined on a monthly basis.

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