

BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF WYOMING

IN THE MATTER OF THE APPLICATION OF	§	
POWDER RIVER ENERGY CORPORATION,	§	
SUNDANCE, WYOMING, FOR AUTHORITY TO	§	DOCKET No. 10014-166-CT-15
ADJUST ITS RESIDENTIAL HEAT RATE TARIFF	§	

APPLICATION

Powder River Energy Corporation, the Applicant named herein and sometimes herein called the "COOPERATIVE", hereby respectfully requests an order from the Public Service Commission of the State of Wyoming, sometimes herein called the "COMMISSION," granting the Applicant authority to revise its Residential Heat Rate (RHR) tariff, as set forth in the exhibits attached hereto and made a part hereof by this reference.

In support of this application, the Applicant sets forth the following:

1. The Applicant is a non-profit cooperative electric utility organized, existing under, and by virtue of the laws of the State of Wyoming. The Cooperative, pursuant to the laws of the State of Wyoming, is qualified to do business as a corporation within the State of Wyoming.
2. The Cooperative is duly authorized to generate, manufacture, purchase, acquire, and transmit electric energy, sell supplies and dispose of electric energy in its certificated territory.
3. Communications in regard to this Application are to be addressed to Mr. Michael E. Easley, Chief Executive Officer for the Applicant, Post Office Box 930, Sundance, Wyoming 82729 and Mr. Mark L. Hughes, Attorney for the Applicant, Post Office Box 456, Sundance, Wyoming 82729
4. The rates charged by the Cooperative for its electric service have been established and placed in effect under appropriate Orders of the Commission.

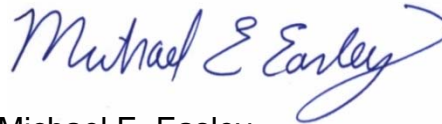
5. The Cooperative represents it is a Class A member of Basin Electric Power Cooperative (“BASIN”), Bismarck, North Dakota, and therefore purchases all of its power requirements through agreements and contracts with Basin.
6. The Cooperative is requesting authority to adjust its existing Residential Heat Rate (“RHR”) tariff. The RHR tariff was originally approved by the Commission in Docket No. 10014-91-CT-06. The current RHR tariff was approved in Docket No. 10014-158-CT-14.
7. The Residential Heat Rate is an optional rate for residential customers with permanent electric resistance heat and/or electric heat pump space heating systems. The tariff provides a discounted rate for qualifying loads and is offered in conjunction with the electric heat rate program offered by Basin.
8. The heat credit provided under the Cooperative’s RHR tariff is designed to equal the Cooperative’s total avoided wholesale cost per kWh, based on Basin’s published Electric Heat Rate. Basin has changed its base rates for 2016 and, as a result, the Cooperative should revise its heat credit to reflect its new avoided cost (see attached Exhibit A).
9. The Cooperative’s current RHR tariff provides a heat credit of \$.02879 per kWh of electric resistant heat usage during the months of October through April. Beginning in January 2016, the Cooperative’s new heat credit should be \$.03361 per kWh of electric resistant heat usage. Exhibit B shows the calculation of the revised heat credit, which is equal to the difference between the avoided demand cost on a per kWh basis and the net increase in the energy charge.
10. The impact of the proposed change in the heat credit offered under the RHR tariff is fairly limited in scope. From October 2014 through April 2015, the Cooperative served 195 services under the RHR tariff. During this seven-month heating period, the total electric resistant heat usage under the RHR tariff was 2,242,981 kWh. The proposed change in the heat credit will result in a revenue decrease of \$10,812 based on historical usage (see attached Exhibit C).

11. The Cooperative therefore requests the authority to change the heat credit available under its RHR tariff from \$0.02879 per kWh to \$.03361 per kWh. The proposed revision to the RHR tariff is shown in Exhibit D.

WHEREFORE Powder River Energy Corporation respectfully requests this Commission make its Order authorizing the Cooperative to revise its Residential Heat Rate tariff as set out in this filing. The Applicant further requests these changes become effective for the Cooperative's first billing date on or after on January 10, 2016.

Dated at Sundance, Wyoming, this 23rd day of November, 2015.

POWDER RIVER ENERGY CORPORATION



Michael E. Easley  
Chief Executive Officer

## **RATE SCHEDULE A ELECTRIC HEAT RATE**

This rate is available to Class A Members who have residential and commercial electric heat installations which meet the following eligibility requirements. It is recommended that the benefits of this rate be provided to the qualifying electric heat consumers.

### **Eligibility Requirements**

1. The Member must have an all requirements contract with Basin Electric or must during the entire billing year purchase all supplemental requirements from Basin Electric. For those systems who have multiple power supply arrangements, this rate only applies to that portion of their system which receives supplemental power supply from Basin Electric.
2. The Member must not utilize any form of load management for electric heat installations at the time of their monthly billing peak. Load management shall include but not be limited to positive control, time of day rates, peak alerts, demand controllers, time clocks and voltage reduction. For G&Ts, the no load management criteria, with the exception of peak alerts, shall be applied at the distribution member level; i.e., if one distribution member controls electric heat and another doesn't, only the electric heat installations of the member not using load control qualify. The peak alert criteria shall be applied at the Class A Member level. If any distribution member of a G&T uses peak alerts, that shall constitute load management and the G&T shall not qualify for this rate.
3. The Member must complete and submit the attached monthly usage report for each applicable billing period.
4. The Member's electric heat installations must have permanent electric resistance and/or heat pump space heating systems in a residence or commercial building.
5. The electric space heat must be separately metered. Basin Electric reserves the right to inspect all electric heat installations and associated metering.
6. Water heaters, grain dryers, and any non-space heating applications do not qualify for this rate. A water heater may be connected to the same service/meter as the consumer's electric heat, however, in those instances 400 kWh shall be subtracted from the electric heat meter to determine the qualifying monthly energy.

**Rate****Demand Charge**

None

**Energy Charge**

2016	.034	per kilowatt-hour
2017	.036	per kilowatt-hour
2018	.036	per kilowatt-hour
2019	.037	per kilowatt-hour
2020	.038	per kilowatt-hour (January through April billing periods)

**Applicable Billing Periods**

January through April 2016 and October through December 2016.

The 2017 through 2020 rates do not constitute a guarantee. They represent the intent of the Basin Electric Board and may be modified at their discretion. Part of this modification may include an annual adjustment of the energy charge to reflect changes in Basin Electric's average system energy production cost and it is the intent to maintain at least a four (4) mills/kWh differential between this heating rate and Basin Electric projected average production cost. The 2017 through 2020 energy charge values listed consider the projected energy production cost adjustment.

**Billing Mechanism**

The monthly billing shall be computed in accordance with the following procedure.

1. The Member is responsible for totalizing the energy used by the qualifying electric heat installations and providing this information to Basin Electric.
2. If a Member has water heaters connected to their electric heat meters they must identify which of their consumers this applies to. Water heaters are deemed to utilize 400 kWh per month which shall be subtracted prior to billing computations. A monthly usage report is provided with this rate schedule to aid the Member in submitting this data to Basin Electric.
3. If a member installs 30 minute time registration demand metering on the individual electric heat installations over 60 kW, the electric heat demand shall be equal to the Electric Heat's contribution to the Member's maximum coincident demand purchase from Basin Electric. (Demand metering installed on <60 kW grandfathered through July 31, 2014.)
4. The electric heat demand for installations without demand metering shall be computed based on the metered energy used by those installations, a 65% monthly load factor, and the hours in the subject billing period.
5. For members that purchase less than 50% of their annual energy requirements from BEPC, the maximum electric heat demand, after subtracting the demand attributable

to new electric heat consumers added in 1992 or later, shall not exceed 35% of the Member's monthly base demand.

6. For members that purchase less than 50% of their annual energy requirements from BEPC, the maximum electric heat energy, after subtracting the energy attributable to new electric heat consumers added in 1992 or later, shall not exceed 35% of the Member's base energy.
7. New electric heat consumers as referenced in #5 and #6 are defined as consumers who prior to 1992, did not have electric heat installed in their home or business. Converting existing electric heat consumers from a cooperative's regular rate to an electric heat rate does not constitute new consumers.
8. The electric heat demand and energy computed in #1 through #7 shall be billed at the demand and energy charges specified in the rate section.
9. Corrections to electric heat energy submittals will be limited to 1) the current season or 2) the prior season if the correction is detected in the non-heat rate months. Prior year bill credits will not be revised.

**POWDER RIVER ENERGY CORPORATION**  
**Calculation of Residential Heat Rate Credit for 2016**

<u>Calculation of Heat Rate Credit</u>	<u>2016</u>
Avoided Basin Demand Charge - \$/kW	\$ (18.06)
Load Factor used to determine Avoided Demand	65.00%
Average hours in a month	730
kWh per kW	474.5
Avoided Basin Demand Charge - \$/kWh	\$ (0.03806)
Increase in Basin Energy Charge - \$/kWh *	<u>\$ 0.00445</u>
Heat Rate Benefit over Class A Rates - \$/kWh	<u><u>\$ (0.03361)</u></u>
Heat Rate Benefit over Class A Rates - Mills/kWh	(33.61)

\* Calculation of Increase in Basin Energy Charge:

Basin Electric Heat Rate - \$/kWh	\$ 0.03400
Basin Class A Energy Rate - \$/kWh	<u>\$ 0.02955</u>
Increase in Electric Heat Rate over Class A - \$/kWh	\$ 0.00445



**POWDER RIVER ENERGY CORPORATION**  
**Calculation of Heat Credit under Proposed Residential Heat Rate Tariff**  
**Based on the Heating Period of October 2014 through April 2015**

Total customers served under the RHR tariff	195
Total electric resistant heat kWh usage during period of Oct. 2013 - April 2014	2,242,981

Calculation of heat credit under Current and Proposed RHR tariff:

	<u>Current</u>	<u>Proposed</u>
Electric Resistant Heat Billing Units (kWh)	2,242,981	2,242,981
Residential Heat Rate Credit per kWh	\$ (0.02879)	\$ (0.03361)
Calculated Residential Heat Rate Credit	<u>\$ (64,575)</u>	<u>\$ (75,387)</u>
Proposed Reduction in Revenue		\$ 10,812



**THE PUBLIC SERVICE COMMISSION OF WYOMING**

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

WY PSC

Tariff No. 7

4th Revised Sheet No. 1  
 Cancels 3rd Revised Sheet No. 1

TARIFF RATE RIDER				
Class	Billing Unit	2014 Base Rate	2016 COPA	2016 Adj. Rate Tariff
Residential (A)	<u>Basic Charge</u> 200 Amps and Under	\$22.50		\$22.50
	Over 200 Amps	\$27.50		\$27.50
	\$/kWh - All kWh	\$0.07108	\$0.003338	\$0.074418
Residential Seasonal (A)	<u>Basic Charge</u> 200 Amps and Under	\$270.00		\$270.00
	Over 200 Amps	\$330.00		\$330.00
	\$/kWh - All kWh	\$0.07108	\$0.003338	\$0.074418
Residential Time of Day (TOD)	<u>Basic Charge</u> 200 Amps and Under	\$22.50		\$22.50
	Over 200 Amps	\$27.50		\$27.50
	<u>\$/kWh</u>			
	<u>September-May</u> All kWh - On Peak	\$0.07438	\$0.003338	\$0.077718
	All kWh - Off Peak	\$0.05000	\$0.003338	\$0.053338
	<u>June-August</u> \$/kWh - All kWh	\$0.07108	\$0.003338	\$0.074418
Residential Heat Rate (RHR)	<u>Basic Charge</u> 200 Amps and Under	\$25.00		\$25.00
	Over 200 Amps	\$30.00		\$30.00
	\$/kWh - All kWh	\$0.07108	\$0.003338	\$0.074418
	<u>October - April</u> Heat Credit per kWh of Electric Resistant Heat	\$0.03361		\$0.03361

Date Issued: November 23, 2015

Date Effective: January 10, 2016

By: 

Title: Chief Executive Officer

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**Rate Schedule: Residential Heat Rate (RHR)**

APPLICABILITY

Applicable to Residential customers of the Corporation who have permanent electric resistance heat and/or electric heat pump space heating systems. This rate is not available to seasonal loads. This rate is not available to Residential Time-of-Day (TOD) customers.

Customers taking electric service under this rate schedule must have Corporation approved meter installations and any additional equipment required by the Corporation necessary to meter the electric heat installation loads identified above separately from other loads.

AVAILABILITY

Available within the certificated territory of Powder River Energy Corporation.

TYPE OF SERVICE

Single-phase, 60 cycles, at Corporation's standard secondary voltage.

RATE

Basic Charge – Service 200 amps and under:	\$25.00 per month
Basic Charge – Service over 200 amps:	\$30.00 per month

Energy Charge: All kWh per month at \$0.071080 per kWh

Heat Credit: \$0.03361 per kWh of electric resistant heat usage during the months of October through April.

MINIMUM BILLING

The minimum monthly billing under this schedule shall be 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.

ADDITIONAL CHARGES

Any amount authorized under the Corporation's standard line extension policy shall be in addition to charges of this rate schedule.

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Issued by  
Michael E. Easley, Chief Executive Officer

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**Rate Schedule: Residential Heat Rate (RHR)**

TERMS OF PAYMENT

Payment for electric service must be received in one of the Corporation's offices or one of the banking institutions that offer the Corporation's bill paying service within twenty (20) days of the billing date shown on the billing statement or the bill shall be deemed delinquent and a one and one-half percent (1½%) penalty will be added to the monthly billed amount.

CONDITIONS OF SERVICE

1. The Customer must have permanent electric resistance heat and/or an electric heat pump space heating system.
2. The Customer will be required to install and pay for Corporation approved equipment to meter the electric heat installation loads identified above separately from other loads.
3. The additional metering equipment will be installed to the standards set by the Corporation.
4. The Customer will be required to meet with a qualified Corporation employee for explanation of this rate prior to signing the agreement for service under this rate schedule.
5. The Customer, prior to signing the agreement for service under this rate schedule, must be current on his/her bill.
6. Budget billing will not be available until the Customer has twelve (12) months of usage and billing history under this rate schedule.

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 Public Service Commission of Wyoming.

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Issued by  
Michael E. Easley, Chief Executive Officer