

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF WYOMING**

IN THE MATTER OF THE APPLICATION OF)
POWDER RIVER ENERGY CORPORATION)
SUNDANCE, WYOMING, TO REVISE) DOCKET No. 10014-~~176~~175-CT-16
ITS RULES AND REGULATIONS)
PERTAINING TO DEPOSITS)

APPLICATION

Powder River Energy Corporation, “the Applicant” herein and sometimes called “the Cooperative”, hereby respectfully requests an Order from the Wyoming Public Service Commission, sometimes herein called “the Commission,” approving the proposed Rules and Regulations incorporated herein as Wyoming PSC Tariff No. 7, Section III, Revised Sheets 5R, 5aR and 5bR, to be effective November 30, 2016.

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

1. The Applicant is a non-profit Cooperative electric utility organized and 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 Applicant has existing Rules and Regulations in effect and on file with the Commission. The proposed revisions to the existing Rules and Regulations are clearly marked herein, attached as **Exhibit 1** – Legislative Version and **Exhibit 2** – Proposed Version. The supportive testimony of Joanne L. Kolb, Chief Financial and Administration Officer of Powder River Energy Corporation, is attached as **Exhibit 3**.
3. The Rules and Regulations proposed herein, when approved, will replace 1st

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Revised Sheets 5R, 5aR, 5bR and Original Sheet 5cR of Wyoming PSC Tariff No. 7, of the Applicant's Rules and Regulations on file at the Commission.

4. The Applicant's Rules and Regulations were updated with regard to deposits in Docket No. 10014-163-CT-15 in November 2015. The 2015 updates have proven beneficial in assisting the Applicant reduce its financial risk by allowing for the expansion of the objective screening process to existing members, adding an ability to petition the Commission to collect a deposit from members who the Applicant believe pose a significant financial risk, and allowing for the disconnection of service for failure to pay a deposit. These updates preceded Commission rule changes which now provide clearer guidance on deposit requirements. However, these additional process improvements have also proven to be resource intensive to manage, for both the Applicant and its members, and fail to ensure to the degree necessary that the Applicant and its membership will not suffer further losses. Non-residential members who initially fail the Applicant's current financial information based credit screen frequently request the Applicant re-run the screen in hopes for a different result and either relief from a requested deposit or the return of their deposit. Those who initially pass the current financial information based credit screen require constant monitoring of their financial information by the Applicant in order to track sometimes rapidly changing financial conditions. Compounding the situation is that for many reasons e.g. information gaps, timeliness of information, lack of sufficient market data, and lag in deposit processing to name a few, there remains a margin of error in information based credit monitoring and thus financial risk associated with reliance on predictive

information based credit assessments and screens alone.

5. Addressing the aforementioned financial information based credit monitoring and member challenges pertaining to deposit rules is one of the two purposes for this application. The second reason is to comply with the Applicant's requirement to file amendments to its Tariffs in compliance with Wyoming Public Service Commission Docket No. 90000-125-XO-15 (Record No. 14272), the revision of the Commission's Tariffs, and the Commission's March 25, 2016, issuance of an order forbearing enforcement of Chapter 3, Section 25 (Conformance with Revised Commission Rules and Regulations), of those tariffs until September 30, 2016. The Applicant is submitting its remaining Tariffs in compliance with Docket No. 9000-125-XO-15 (Record No. 14272) under a second and separate Application in Docket 10014-~~177176~~-CT-16, to be filed on or before September 30, 2016.
6. The Applicant will post on its website, www.precorp.coop, the changes being made to its Deposit Rules and Regulations in a form that highlights each change. In addition, the Applicant will notify impacted members by 1) referring them to its website by notice in the Applicant's October 2016 customer newsletter, and 2) communicating the changes in person during its October non-residential member meeting.
7. 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 Ms. Amanda M. Good, Hirst Applegate, LLP, Attorney for the Applicant in this matter, Post Office Box 1083. Cheyenne, Wyoming 82003.
8. The Cooperative is respectfully requesting changes to its Deposit Rules and

Regulations effective November 30, 2016, pursuant to the attached exhibits and testimony, and that such changes are contained in this filing and by reference are hereby made a part of this Application.

Dated at Sundance, Wyoming, this 30th day of September 2016.

POWDER RIVER ENERGY CORPORATION



Michael E. Easley
Chief Executive Officer