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October 15, 2021

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

Re: Docket No. 10014-220-CT-21
Application for 2022 Heat Rate Change

Dear Mr. Petrie,

Please be advised that Powder River Energy Corporation has submitted an Application for a 2022 Heat Rate (HR) change on the Wyoming Public Service Commission Document Management System.

A check in the amount of \$5.00 for the applicable filing fee has been mailed to your attention.

Pursuant to Docket No. 90000-151-XO-20, Record No. 15474 issued on March 19, 2020, this supplemental filing has been submitted electronically on the Commission's Document Management System and no physical original or copies will be mailed directly to the Commission.

Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink that reads "Michael E. Easley".

Michael E. Easley
Chief Executive Officer

MEE/sjp

BEFORE THE WYOMING PUBLIC SERVICE COMMISSION

**IN THE MATTER OF THE APPLICATION OF)
POWDER RIVER ENERGY CORPORATION,)
SUNDANCE, WYOMING, FOR AUTHORITY TO) DOCKET No. 10014-220-CT-21
ADJUST ITS 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 Wyoming Public Service Commission, sometimes herein called the “Commission,” granting the Applicant authority to revise its Heat Rate (HR) 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 regarding 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 Mrs. Kara L. Ellsbury, Attorney of Hirst Applegate, LLP, Attorney for the Applicant, Post Office Box 1083, Cheyenne, Wyoming 82003.
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 Members 1st Power Cooperative, Sundance, Wyoming. Members 1st is a Class A member of Basin Electric Power Cooperative (Basin), Bismarck, North Dakota, and therefore purchases all power requirements through agreements and contracts with Basin. Members 1st contract with the Cooperative adopts Basin’s Class A rates to bill the Cooperative.

6. The Cooperative is requesting authority to adjust its existing HR tariff subject to refund pending Basin receiving approval from the Federal Energy Regulatory Commission (FERC) of their proposed 2022 Class A Rate Schedule. A Residential Heat Rate (RHR) tariff was originally approved by the Commission in Docket No. 10014-91-CT-06. A Non-Residential Heat Rate (NRHR) tariff was originally approved by the Commission in Docket No. 10014-199-CT-19. The current RHR and NRHR tariff rates were approved in Docket No. 10014-205-CT-19. The RHR tariff was deleted in Docket No. 10014-202-CR-19. The NRHR tariff was revised in Docket No. 10014-202-CR-19 combining the RHR and NRHR tariffs into the current HR tariff.
7. The HR tariff is an optional rate for members 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 tariff is designed to equal the Cooperative's total avoided wholesale cost per kWh, based on Basin's published Electric Heat Rate. Basin has proposed a rate change in its base rates for 2022, subject to FERC approval, and, as a result, the Cooperative should revise its heat credit to reflect its new avoided cost (see attached **Exhibit A**).
9. As Basin's rates are subject to FERC approval, and the approval date is unknown at the time of this application, the Cooperative respectfully requests the HR tariff be approved subject to refund or adjustment should FERC revise Basin's proposed 2022 rates. Should FERC revise Basin's proposed rates prior to April 30, 2022, or not approve Basin's filing by April 30, 2022, the Cooperative will file an application to adjust the 2022 Heat Rate and adjust all heat rate bills from January 1, 2022 until the effective date of the revised rates.
10. The heat rate is applied for electric resistant heat usage during the months of October through April. The Cooperative's current tariffs provide a heat credit of \$.03875 per kWh. Beginning with January 2022 usage, the Cooperative's new heat credit should be \$.03975 per kWh of electric resistant heat usage. **Exhibit B** shows the calculation of the revised heat credit, which is equal to the difference

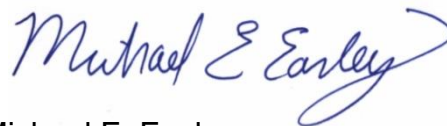
between the avoided demand cost on a per kWh basis and the net increase in the energy charge.

11. The impact of the proposed change in the heat credit offered under the HR tariff is fairly limited in scope. From October 2020 through April 2021, the Cooperative served 363 participating members, 389 meters, under the HR tariff. During this seven-month heating period, the total electric resistant heat usage under the tariff was 9,505,968 kWh. The proposed change in the heat credit will result in a revenue reduction of \$9,506 based on historical usage (see attached **Exhibit C**). There is no impact to revenue due to the proposed change under the NRHR tariff as the tariff was recently approved for usage on and after July 1, 2019 – this will be the first heating season for program participants.
12. The Cooperative therefore requests the authority to change the heat credit available under its HR tariff from \$0.03875 per kWh to \$.03975 per kWh, subject to refund or adjustment. The legislative version of the impacted tariff sheet is provided in **Exhibit D**. The proposed version of the impacted tariff sheet is provided in **Exhibit E**.

WHEREFORE Powder River Energy Corporation respectfully requests this Commission make its Order authorizing the Cooperative to revise its Heat Rate tariff as set out in this filing. The Applicant further requests these changes become effective for the Cooperative's usage on or after January 1, 2022.

Dated at Sundance, Wyoming, this 15 day of October 2021.

POWDER RIVER ENERGY CORPORATION



Michael E. Easley
Chief Executive Officer

2022 Class A Rate Design

Class A Revenue

At their August 2021 meeting, the Basin Electric Board of Directors approved the 2022 Member rates. According to the 2022-2031 Financial Forecast, the revenue requirement from Member sales in 2022 is \$1,799.9 Million.

Forecasted Loads

The Member purchases for 2022 from Basin Electric are projected from the 2021 Load Forecast. Special Purpose Rate purchases are based on historical values and the member's estimated Special Purpose Rate participation. Based on 2022 revenue requirement and sales information, the rate components follow:

2075 Contract Members	Demand \$/kW	Energy Mills/kWh
Base Rates	\$19.64	\$31.36
Fixed CROD	\$21.23	\$26.85

2050 Contract Members	Demand \$/kW	Energy Mills/kWh
Base Rates	\$19.75	\$31.97
Fixed CROD	\$21.39	\$27.31

Non-Controlled Electric Heat	-	33.0
Interruptible for 2075 Contract Members	-	\$31.36
Interruptible for 2050 Contract Members	-	\$31.97

POWDER RIVER ENERGY CORPORATION
Calculation of Heat Rate Credit for 2022

Calculation of Heat Rate Credit	<u>2022</u>
Avoided Basin Demand Charge - \$/kW	(\$19.64)
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	(\$0.04139)
Increase in Basin Energy Charge - \$/kWh	0.00164
Heat Rate Benefit over Class A Rates - \$/kWh	<u>(\$0.03975)</u>
Heat Rate Benefit over Class A Rates - Mills/kWh	<u>(39.75)</u>

*Calculation of Increase in Basin Energy Charge:

<u>Basin Electric Heat Rate - \$/kWh</u>	<u>\$0.03300</u>
Basin Class A Energy Rate - \$/kWh	\$0.03136
Increase in Electric Heat Rate over Class A - \$/kWh	<u>\$0.00164</u>

POWDER RIVER ENERGY CORPORATION
Calculation of Heat Credit under Proposed Heat Rate Tariff
Based on the Heating Period October 2020 through April 2021

Total customers served under the Heat Rate tariff	363
Total electric resistant heat kWh usage during period of Oct. 2020 – Apr. 2021	9,505,968

Calculation of heat credit under Current and Proposed Heat Rate Tariff:

	<u>Current</u>	<u>Proposed</u>
Electric Resistant Heat Billing Units (kWh)	9,505,968	9,505,968
Heat Rate Credit per kWh	\$ (0.03875)	\$ (0.03975)
Calculated Heat Rate Credit	\$ (368,356)	\$ (377,862)
Proposed Reduction in Revenue		\$9,506

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Exhibit D

Tariff Legislative Version

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THE WYOMING PUBLIC SERVICE COMMISSION

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

WY PSC Tariff No. 10
 3rd ~~2nd~~ Revised Sheet No. 4
 Cancels 2nd ~~1st~~ Revised Sheet No. 4

TARIFF RATE RIDER					
- continued -					
Class	Rate Code	Billing Unit	2020 Approved Base Rate	2020 COPA*	Total Rate
Idle Line Retention (IS)**	LRR	<u>Basic Charge-Monthly</u>			
	LRS	Residential/Seasonal	\$15.00		\$15.00
	LRI	Irrigation	\$15.00		\$15.00
	LRGS/LRGSC	General Service	\$18.00		\$18.00
	LRLP/LRLPC	Large Power	\$79.00		\$79.00
Green Tag (GT)	GT	One block equivalent to the environmental attributes of 100 kWh of renewable energy	\$0.20		\$0.20
Small Power Production (SPP)	SPP	\$/kWh on all kWh generated per month	\$0.014694		\$0.014694
Heat Rate (HR)		<u>Basic Charge-Monthly</u>			
		Single/Three Phase			
	SCC	Self Contained	\$4.00		\$4.00
	IRC1	Single Phase Instrument	\$13.00		\$13.00
	IRC3	Three Phase Instrument	\$19.00		\$19.00
		<u>October - April</u>			
		Heat Credit per kWh of Electric Resistant Heat	(\$0.038750) (\$0.03975)		(\$0.038750) (\$0.03975)

Rate Schedules are subject to monthly minimums as stated on the individual rate schedule sheet.

*Reference Sheet No. 34, Rate Schedule Billing Adjustments (BA) for more information on the COPA.

**The Idle Service Schedule (IS) is a monthly charge with no energy usage.

Date Issued: **October 15, 2021**

Date Effective: **January 1, 2021 2022**

By: 

Title: Chief Executive Officer
 Docket No.: **10014-218-CT-21 220-CT-21**

Docket 10014-220-CT-21

Exhibit E

Tariff Proposed Version

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THE WYOMING PUBLIC SERVICE COMMISSION

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

WY PSC Tariff No. 10
 3rd Revised Sheet No. 4
 Cancels 2nd Revised Sheet No. 4

TARIFF RATE RIDER					
- continued -					
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