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December 4, 2019

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

Re: Docket No. 10014-205-CT-19

Dear Mr. Petrie,

Please find enclosed one (1) original and four (4) copies of Powder River Energy Corporation's application and supporting documentation requesting rate adjustments to the Residential and Non-Residential Heat Rate tariffs with usage on or after January 1, 2020.

This information has been filed electronically on the Commission's Document Management System as well. Also enclosed is a check in the amount of \$5.00 for the filing fee.

Thank you for your consideration.

Sincerely,

Michael E. Easley  
Chief Executive Officer

MEE/sjp

Enclosures

**BEFORE THE WYOMING PUBLIC SERVICE COMMISSION**

**IN THE MATTER OF THE APPLICATION OF )  
POWDER RIVER ENERGY CORPORATION, )  
SUNDANCE, WYOMING, FOR AUTHORITY TO )  
ADJUST ITS RESIDENTIAL AND NON-RESIDENTIAL )  
HEAT RATE TARIFFS )**

**DOCKET No. 10014-205-CT-19**

**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 Residential Heat Rate (RHR) and Non-Residential Heat Rate (NRHR) tariffs, 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 Members 1<sup>st</sup> Power Cooperative, Sundance, Wyoming. Members 1<sup>st</sup> 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. Members 1st contract with the Cooperative adopts Basin Electric’s Class A rates to bill the Cooperative.

6. The Cooperative is requesting authority to adjust its existing RHR and NRHR tariffs subject to refund pending Basin’s receiving approval from FERC on the proposed 2020 Rate Schedule. 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. 10014-185-CT-17. The NRHR tariff was originally approved by the Commission in Docket No. 10014-199-CT-19.
7. These tariffs are an optional rate for members with permanent electric resistance heat and/or electric heat pump space heating systems. The tariffs provide 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 tariffs are 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 its base rates for 2020, 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 these heat credit tariffs be approved subject to refund or adjustment should FERC revise Basin’s proposed 2020 rates. Should FERC revise Basin’s proposed rates prior to April 30, 2020 or not approve Basin’s filing by April 30, 2020, the Cooperative will file an application to adjust the 2020 Heat Rate and adjust all heat rate bills from January 1, 2020 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 \$.03981 per kWh. Beginning with January 2020 usage, the Cooperative’s new heat credit should be \$.03878 per kWh of electric resistant heat usage. **Exhibit B** shows the calculation of the revised heat credit, which is equal to the difference

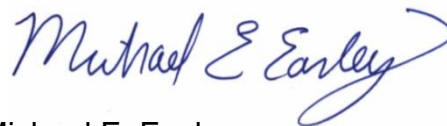
between the avoided demand cost on a per kWh basis and the net increase in the energy charge.

11. The impact of the proposed change in the heat credit offered under the RHR tariff is fairly limited in scope. From October 2018 through April 2019, the Cooperative served 306 services under the RHR tariff. During this seven-month heating period, the total electric resistant heat usage under the tariffs was 5,108,248 kWh. The proposed change in the heat credit will result in a revenue increase of \$5,261 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 RHR and NRHR tariffs from \$0.03981 per kWh to \$.03878 per kWh, subject to refund or adjustment. The legislative version of the impacted tariff sheets is provided in **Exhibit D**. The proposed version of the impacted tariff sheets are provided in **Exhibit E**.

**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 usage on or after January 1, 2020.

Dated at Sundance, Wyoming, this 4th day of December 2019.

**POWDER RIVER ENERGY CORPORATION**



Michael E. Easley  
Chief Executive Officer

## 2020 Class A Rate Design

### Class A Revenue

At their August 2019 meeting, the Basin Electric Board of Directors approved the 2020 Member rates. According to the 2020-2029 Financial Forecast, the revenue requirement from Member sales in 2020 is \$1,711 Million.

### Forecasted Loads

The Member purchases for 2020 from Basin Electric are projected from the 2019 Load Forecast. Special Purpose Rate purchases are based on historical values and the member's estimated Special Purpose Rate participation. Based on the 2020 revenue requirement and sales information, the rate components follow:

<b>2075 Contract Members</b>	<b>Demand \$/kW</b>	<b>Energy Mills/kWh</b>
Base Rates	\$19.64	31.36
Fixed CROD	\$21.23	26.85
<hr/>		
<b>2050 Contract Members</b>	<b>Demand \$/kW</b>	<b>Energy Mills/kWh</b>
Base Rates	\$19.75	31.97
Fixed CROD	\$21.39	27.31
<hr/>		
Non-Controlled Electric Heat	—	34.0
Interruptible for 2075 Contract Members	—	31.36
Interruptible for 2050 Contract Members	—	31.97
<hr/>		

The projected 2020 average rate for Basin Electric's Class A Members is 61.50 Mills/kWh.

Detailed monthly information follows for your system. Summary information outlining the sales to each member and resultant member power costs is also included.

**POWDER RIVER ENERGY CORPORATION**  
**Calculation of Heat Rate Credit for 2020**

<b><u>Calculation of Heat Rate Credit</u></b>	<b><u>2020</u></b>
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 *	<u>\$ 0.00261</u>
Heat Rate Benefit over Class A Rates - \$/kWh	<u><u>\$ (0.03878)</u></u>
Heat Rate Benefit over Class A Rates - Mills/kWh	(38.78)

**\*Calculation of Increase in Basin Energy Charge**

Basin Electric Heat Rate - \$/kWh	\$ 0.03400
Basin Class A Energy Rate - \$/kWh	<u>\$ 0.03139</u>
Increase in Electric Heat Rate over Class A - \$/kWh	\$ 0.00261

**POWDER RIVER ENERGY CORPORATION**  
**Calculation of Heat Credit under Proposed Residential Heat Rate Tariff**  
**Based on the Heating Period of October 2018 through April 2019**

Total customers served under the RHR tariff	306
Total electric resistant heat kWh usage during period of Oct. 2018 - April 2019	5,108,248

**Calculation of Heat Credit under Current and Proposed RHR Tariff:**

	<u>Current</u>	<u>Proposed</u>
Electric Resistant Heat Billing Units (kWh)	5,108,248	5,108,248
Residential Heat Rate Credit per kWh	\$ (0.03981)	\$ (0.03878)
Calculated Residential Heat Rate Credit	<u>\$ (203,359)</u>	<u>\$ (198,098)</u>
Proposed Increase in Revenue		\$ (5,261)

Docket 10014-205-CT-19

**Exhibit D**

Tariff Legislative Version

Pgs. 1, 4 and 9



**THE PUBLIC SERVICE COMMISSION OF WYOMING**

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

WY PSC

Tariff No. 9

~~4th3rd~~ Revised Sheet No. 1  
 Cancelling ~~3rd2nd~~ Revised Sheet No. 1

TARIFF RATE RIDER				
Class	Billing Unit	2017 Approved Base Rate	2019 COPA *	Total Rate
Residential (A)	<u>Basic Charge</u> 200 Amps and Under	\$25.50		\$25.50
	Over 200 Amps	\$30.00		\$30.00
	\$/kWh - All kWh	\$0.080875	\$0.007064	\$0.0879390
Residential Seasonal (A)	<u>Basic Charge</u> 200 Amps and Under	\$306.00		\$306.00
	Over 200 Amps	\$360.00		\$360.00
	\$/kWh - All kWh	\$0.080875	\$0.007064	\$0.0879390
Residential Time of Day (TOD)	<u>Basic Charge</u> 200 Amps and Under	\$25.50		\$25.50
	Over 200 Amps	\$30.00		\$30.00
	<u>\$/kWh</u> <u>September-May</u> All kWh - On Peak	\$0.08418	\$0.007064	\$0.0912440
	All kWh - Off Peak	\$0.05980	\$0.007064	\$0.0668640
	<u>June-August</u> \$/kWh - All kWh	\$0.080875	\$0.007064	\$0.0879390
	<u>October - April</u> Heat Credit per kWh of Electric Resistant Heat	<del>(\$0.039810) - (\$0.038780)</del>		<del>(\$0.039810) - (\$0.038780)</del>
Residential Heat Rate (RHR)	<u>Basic Charge</u> 200 Amps and Under	\$27.50		\$27.50
	Over 200 Amps	\$32.50		\$32.50
	\$/kWh - All kWh	\$0.080875	\$0.007064	\$0.0879390
	<u>October - April</u> Heat Credit per kWh of Electric Resistant Heat	<del>(\$0.039810) - (\$0.038780)</del>		<del>(\$0.039810) - (\$0.038780)</del>

\*Reference Sheet 34, Rate Schedule BA for more information on COPA.

Date Issued: ~~October 31, 2018~~ December 4, 2019

Effective: January 1, ~~2019~~ 2020

By: 

Title: Chief Executive Officer  
 Docket No. ~~10014-193-GP-1810014-205-CT-19~~

**WYOMING PUBLIC SERVICE COMMISSION**

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

WY PSC  
 Tariff No. 9  
 1st 2nd Revised Sheet No. 4  
 Cancelling 1st Revised Original Sheet No. 4

<b>TARIFF RATE RIDER</b>					
- continued -					
<b>Class</b>	<b>Rate Code</b>	<b>Billing Unit</b>	<b>2017 Approved Base Rate</b>	<b>2017 COPA*</b>	<b>Total Rate</b>
Idle Line Retention (IS)**	LRR	<u>Basic Charge-Monthly</u>			
	LRS	Residential/Seasonal	\$15.00		\$15.00
	LRI	Irrigation	\$15.00		\$15.00
	LRGS	General Service	\$18.00		\$18.00
	LRLP	General Service CBM	\$35.00		\$35.00
	LRGSC	Large Power	\$79.00		\$79.00
	LRLPC	Large Power CBM	\$100.00		\$100.00
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	\$0.01337		\$0.01337
Non-Residential Heat Rate (NRHR)	NRHR	<u>Basic Charge-Monthly</u>			
		Single/Three Phase Self Contained	\$4.00		\$4.00
		Single Phase Instrument	\$13.00		\$13.00
		Three Phase Instrument	\$19.00		\$19.00
		<u>October - April</u> Heat Credit per kWh of Electric Resistant Heat	(\$0.039810)-(\$0.038780)		(\$0.039810)-(\$0.038780)

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.

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

Date Issued: ~~April 29, 2019~~ October 31, 2019

Date Effective: ~~July 1, 2019~~ January 1, 2020

By: 

Title: Chief Executive Officer  
 Docket No.: ~~10014-199-CT-19~~ 10014-205-CT-19

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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: \$27.50 per month  
Basic Charge – Service over 200 amps: \$32.50 per month

Energy Charge: All kWh per month at \$0.080875 per kWh plus the COPA Factor shown on Sheet No. 1. The COPA mechanism is described in detail beginning on Sheet No. 34.

Heat Credit: ~~(\$0.039810038780)~~ 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

Docket 10014-205-CT-19

**Exhibit E**

Tariff Proposed Version

Pgs. 1, 4 and 9

**THE PUBLIC SERVICE COMMISSION OF WYOMING**

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

WY PSC

Tariff No. 9

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

TARIFF RATE RIDER				
Class	Billing Unit	2017 Approved Base Rate	2019 COPA *	Total Rate
Residential (A)	<u>Basic Charge</u> 200 Amps and Under	\$25.50		\$25.50
	Over 200 Amps	\$30.00		\$30.00
	\$/kWh - All kWh	\$0.080875	\$0.007064	\$0.0879390
Residential Seasonal (A)	<u>Basic Charge</u> 200 Amps and Under	\$306.00		\$306.00
	Over 200 Amps	\$360.00		\$360.00
	\$/kWh - All kWh	\$0.080875	\$0.007064	\$0.0879390
Residential Time of Day (TOD)	<u>Basic Charge</u> 200 Amps and Under	\$25.50		\$25.50
	Over 200 Amps	\$30.00		\$30.00
	<u>\$/kWh</u>			
	<u>September-May</u> All kWh - On Peak	\$0.08418	\$0.007064	\$0.0912440
	All kWh - Off Peak	\$0.05980	\$0.007064	\$0.0668640
	<u>June-August</u> \$/kWh - All kWh	\$0.080875	\$0.007064	\$0.0879390
Residential Heat Rate (RHR)	<u>Basic Charge</u> 200 Amps and Under	\$27.50		\$27.50
	Over 200 Amps	\$32.50		\$32.50
	\$/kWh - All kWh	\$0.080875	\$0.007064	\$0.0879390
	<u>October - April</u> Heat Credit per kWh of Electric Resistant Heat	(\$0.38780)		(\$0.38780)

\*Reference Sheet 34, Rate Schedule BA for more information on COPA.

Date Issued: December 4, 2019

Effective: January 1, 2020

By: 

Title: Chief Executive Officer  
 Docket No. 10014-205-CT-19

**WYOMING PUBLIC SERVICE COMMISSION**

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

WY PSC Tariff No. 9  
 2nd Revised Sheet No. 4  
 Cancelling 1st Revised Sheet No. 4

<b>TARIFF RATE RIDER</b>					
- continued -					
<b>Class</b>	<b>Rate Code</b>	<b>Billing Unit</b>	<b>2017 Approved Base Rate</b>	<b>2017 COPA*</b>	<b>Total Rate</b>
Idle Line Retention (IS)**	LRR	<u>Basic Charge-Monthly</u>			
	LRS	Residential/Seasonal	\$15.00		\$15.00
	LRI	Irrigation	\$15.00		\$15.00
	LRGS	General Service	\$18.00		\$18.00
	LRLP	General Service CBM	\$35.00		\$35.00
	LRGSC	Large Power	\$79.00		\$79.00
	LRLPC	Large Power CBM	\$100.00		\$100.00
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	\$0.01337		\$0.01337
Non-Residential Heat Rate (NRHR)	NRHR	<u>Basic Charge-Monthly</u>			
		Single/Three Phase Self Contained	\$4.00		\$4.00
		Single Phase Instrument	\$13.00		\$13.00
		Three Phase Instrument	\$19.00		\$19.00
		<u>October - April</u> Heat Credit per kWh of Electric Resistant Heat	(\$0.038780)		(\$0.038780)

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.

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

Date Issued: October 31, 2019

Date Effective: January 1, 2020

By: 

Title: Chief Executive Officer  
 Docket No.: 10014-205-CT-19

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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:	\$27.50 per month
Basic Charge – Service over 200 amps:	\$32.50 per month

Energy Charge: All kWh per month at \$0.080875 per kWh plus the COPA Factor shown on Sheet No. 1. The COPA mechanism is described in detail beginning on Sheet No. 34.

Heat Credit: (\$0.038780) 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