



THE STATE OF WYOMING

GOVERNOR  
Matthew H. Mead



## Public Service Commission

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### COMMISSIONERS

William F. Russell, Chairman  
Kara Brighton Fornstrom, Deputy Chair  
Robin Sessions Cooley, Commissioner

### SECRETARY AND CHIEF COUNSEL

Christopher Petrie  
COMMISSION ADMINISTRATOR  
Marcy Norby

August 22, 2018

Michael E. Easley  
Chief Executive Officer  
Powder River Energy Corporation  
P.O. Box 930  
Sundance, WY 82729-0930

Re: IN THE MATTER OF THE APPLICATION OF POWDER RIVER ENERGY CORPORATION FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO SITE, DESIGN, CONSTRUCT/REBUILD, OPERATE AND MAINTAIN A NEW 69 KV HIGH VOLTAGE DISTRIBUTION POWER LINE IN CROOK COUNTY, WYOMING - DOCKET NO. 10014-190-CA-18 (RECORD NO. 14957)

Dear Mr. Easley:

Enclosed is a copy of the Commission's *Order* for the above-entitled docket.

Should you have any questions regarding this matter, please contact the undersigned at (307) 777-7427.

Sincerely,

KATE J. KOSKI  
Assistant Secretary

KJK/mtb  
Enclosure

BEFORE THE PUBLIC SERVICE COMMISSION OF WYOMING

IN THE MATTER OF THE APPLICATION OF )  
POWDER RIVER ENERGY CORPORATION )  
FOR A CERTIFICATE OF PUBLIC ) DOCKET NO. 10014-190-CA-18  
CONVENIENCE AND NECESSITY TO SITE, ) (RECORD NO. 14957)  
DESIGN, CONSTRUCT/REBUILD, OPERATE )  
AND MAINTAIN A NEW 69 KV HIGH )  
VOLTAGE DISTRIBUTION POWER LINE IN )  
CROOK COUNTY, WYOMING )

**ORDER GRANTING A  
CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY**  
(Issued August 21, 2018)

This matter is before the Wyoming Public Service Commission (Commission) upon the Application of Powder River Energy Corporation (PRECorp or Cooperative) for a Certificate of Public Convenience and Necessity (CPCN) to construct, own, operate, and maintain 6.1 miles of an existing 69 kilovolt (kV) power line and related facilities approximately 10 miles west of Hulett, as more fully described below.

The Commission, having reviewed the Application, its files regarding PRECorp, applicable Wyoming utility law, and otherwise being fully advised in the premises, FINDS and CONCLUDES:

1. PRECorp is a non-profit cooperative utility as defined in Wyo. Stat. § 37-1-101(a)(vi)(C), subject to the Commission's jurisdiction pursuant to Wyo. Stat. § 37-2-112.

2. On March 14, 2018, PRECorp filed its Application, requesting authorization to rebuild approximately 6.1 miles of an existing 69 kV power line with a 556 aluminum-conductor steel-reinforced cable conductor in a mono-pole configuration and approximately 1.2 miles of 7.2 kV distribution line. Approximately 3.0 miles of the total 6.1 miles will include an underbuilt distribution power line circuit, and there will be 98 structures in all. The underbuilt distribution will allow PRECorp to retire the Baker Substation, a single phase 69/7.2 kV substation serving less than 500 kilovolt-amp (kVA) of load for 7 services. In retiring the Baker Substation, the existing 7 services will be converted from 7.2kV to 25kV and serviced by the underbuilt distribution. PRECorp states the re-build will result in no net increase of power line in the area and will be constructed to current standards and guidelines. The proposed project area is approximately 10 miles west of Hulett and construction will occur on private and State lands in Crook County. Specifically, PRECorp proposes the project to take place on a tract of land located in Sections 16, 17 and 18 of Township 54 North Range 66 West and Sections 13, 14, 15 and 16 of Township 54 North Ranges 67 West of the 6<sup>th</sup> P.M., Crook County, Wyoming. PRECorp states the current land uses within the project area include residential areas, livestock grazing, hay production and industry development for oil drilling, electrical substations and a bentonite mine. PRECorp further states that all required easements have been obtained.

3. PRECorp estimates the cost of the proposed project at \$1,767,100, which includes labor materials and overhead costs. PRECorp will finance the project through a U.S. Department of Agriculture (USDA) Rural Utility Service (RUS) loan, following completion of the project. The Commission approved a \$55.75 million USDA RUS loan from the Federal Financing Bank in Docket No. 10014-184-CS-17 on November 9, 2017. This approval incorporates the proposed project's financing.

4. PRECorp states the proposed project is a line rebuild designed to support all rate classes in the Northeast Crook County area. PRECorp does not discuss any rate details or the future effect on customer base rates in its Application.

5. PRECorp anticipates commencing construction in June 2018 and completing construction in September 2018.

6. On April 13, 2018, the Commission issued a *Notice of Application* setting a deadline of May 11, 2018, for interested persons to file a statement, intervention petition, protest, or request for a public hearing. A public notice was published in newspapers in PRECorp's service territory for two consecutive weeks. The Commission did not receive any protests, comments, or requests for intervention or hearing.

7. The Application came before the Commission for consideration pursuant to due notice at its May 31, 2018, Open Meeting. Quentin Rogers, Vice President of Engineering and Technical Services, and Tracy Jones, Manager Environmental Services, appeared by telephone on behalf of the Cooperative. Mr. Rogers provided a summary of PRECorp's Application, generally describing the information contained in paragraphs 2 through 5 above. Mr. Rogers stated the Cooperative wants to replace some older facilities that are nearing the end of life and build a more reliable distribution infrastructure to serve existing rural loads in its service area. Commission Staff recommended approving the Application, by Order only, effective immediately.

8. Wyo. Stat. § 37-2-205 and Commission Rule Chapter 3, Section 21 provide the requirements for a CPCN. Wyo. Stat. § 37-2-205(a) provides, in pertinent part, "No public utility shall begin construction of a line, plant or system, or of any extension of a line, plant or system without having first obtained from the commission a certificate that the present or future public convenience and necessity require or will require such construction."

9. Wyo. Stat. § 37-2-205(c) states, in part:

Before any certificate may issue, under this section, a certified copy of its articles of incorporation or charter, if the applicant be a corporation, shall be filed in the office of the commission. The commission shall have power, after hearing involving the financial ability and good faith of the applicant and the necessity of additional service in the community, to issue said certificate, as prayed for, or to refuse to issue the same, or to issue to it for the construction of a portion only of the contemplated line, plant, or system, or of a portion only, of the contemplated line, plant, system or extension

thereof, or for the partial exercise only of said right or privilege, and may attach to the exercise of the rights granted by said certificate such terms and conditions as in its judgment the public convenience and necessity may require.

10. Commission Rule Chapter 3, Section 21(a)(i) requires:

(a) No utility may commence new construction or an expansion of facilities or projects for which notification is required pursuant to section 21(a) until the Commission:

(i) Grants the utility a certificate of public convenience and necessity[.]

11. Commission Rule Chapter 3, Section 21(c) also addresses application, certification, and construction requirements applicable to CPCN applications in detail. Section 21(c)(i) sets forth the requirements for a CPCN Application:

(A) The name and address of the applicant;

(B) The type of plant, property or facility proposed to be constructed or acquired;

(C) A description of the facilities proposed to be constructed or acquired, including preliminary engineering specifications in sufficient detail to properly describe the principal systems and components, and final and complete engineering specifications when they become available;

(D) The rates, if any, proposed to be charged for the service that will be rendered because of the proposed construction or acquisition;

(E) The estimated total cost of the proposed construction or acquisition;

(F) The manner by which the proposed construction or acquisition will be financed;

(G) Documentation of the financial condition of the applicant;

(H) The estimated annual operating revenues and expenses that are expected to accrue from the proposed construction or acquisition, including a comparison of the overall effect on the applicant's revenues and expenses; and

(J) The estimated start and completion dates of the proposed construction or date of acquisition.

12. The Commission's standard in this matter is the public interest and the desires of the utility are secondary. In *PacifiCorp v. Public Service Commission of Wyoming*, 2004 WY 164, ¶ 13, 103 P.3d 862, 867 (Wyo. 2004), the Wyoming Supreme Court stated:

Speaking specifically of PSC, we have said that PSC is required to give paramount consideration to the public interest in exercising its statutory powers to regulate and supervise public utilities. The desires of the utility are secondary. [Citation omitted.]

13. Based on the facts and representations provided by PRECorp, and the analysis and recommendations of Commission Staff, the Commission finds PRECorp's Application conforms to the statutes and rules cited above. The Commission further finds that the proposed rebuild of 6.1 miles of an existing 69 kV power line and related facilities approximately 10 miles west of Hulett is required to serve the present and future public convenience and necessity. The Commission will not impose any time interval that would delay construction of the proposed facilities.

IT IS THEREFORE ORDERED:

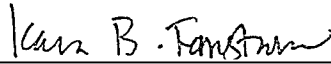
1. Pursuant to Open Meeting action taken on May 31, 2018, Powder River Energy Corporation's Application for a Certificate of Public Convenience and Necessity to construct, own, operate, and maintain 6.1 miles of an existing 69 kV power line and related facilities approximately 10 miles west of Hulett is approved.
2. The issuance of this *Order* does not constitute the Commission's determination of any public utility ratemaking or other issues whatsoever. Such issues are expressly reserved for decision until presented to the Commission in appropriate proceedings.
3. The Commission will require no delay prior to the commencement of construction, it being the intent of the Commission to allow construction to commence immediately.
4. Powder River Energy Corporation shall comply with Commission Rule Chapter 3, Section 22 regarding construction reports.
5. This *Order* is effective immediately.

MADE and ENTERED at Cheyenne, Wyoming, on August 21, 2018.

PUBLIC SERVICE COMMISSION OF WYOMING



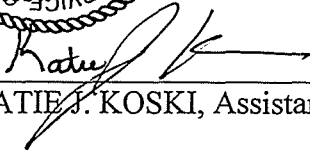
WILLIAM F. RUSSELL, Chairman



KARA BRIGHTON FORNSTROM, Deputy Chair



ROBIN SESSIONS COOLEY, Commissioner



KATIE J. KOSKI, Assistant Secretary