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July 13, 2016

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

Re: Docket No. 10014-172-CP-16

Dear Mr. Petrie,

Please find enclosed one (1) original and four (4) copies of Powder River Energy Corporation's Application and supporting documentation requesting approval of the proposed Cost of Power Adjustment and accompanying tariffs. Also enclosed is a filing fee check in the amount of \$5.00.

Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink that reads "Michael E. Easley". The signature is written in a cursive style and is enclosed in a thin black rectangular border.

Michael E. Easley, CEO  
Powder River Energy Corporation  
221 Main St., P.O. Box 930  
Sundance, WY 82729-0930

MEE/sjp

Enclosures

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

<b>IN THE MATTER OF THE APPLICATION OF</b>	)	
<b>POWDER RIVER ENERGY CORPORATION,</b>	)	
<b>SUNDANCE, WYOMING, FOR AUTHORITY TO</b>	)	<b>DOCKET No. 10014-172-CP-16</b>
<b>INCREASE ITS COST OF POWER ADJUSTMENT</b>	)	
<b>BY \$18,393,590 PER ANNUM TO REFLECT A</b>	)	
<b>CHANGE IN AVERAGE WHOLESALE POWER COSTS</b>	)	

**APPLICATION**

Powder River Energy Corporation (“the Cooperative”) respectfully submits for Commission approval of this application for authority to adjust its Cost of Power Adjustment (COPA) pursuant to §§ 249 and 250 of the Rules of the Wyoming Public Service Commission (Rules) and in accordance with the COPA procedures set forth in the Cooperative’s Billing Adjustments (BA) Tariff.

The Cooperative implemented a Cost of Power Adjustment as part of its general rate filing in 2001 (Docket No. 10014-CR-01-53). The COPA is a mechanism by which the Cooperative recovers and/or returns changes in wholesale power cost relative to the amount of power cost embedded in base retail rates. The current COPA became effective on January 10, 2016 (Docket No. 10014-165-CP-15).

The proposed COPA factors for the remainder of 2016 and all of 2017 in this Application have been designed based upon the base power cost approved in Docket No. 10014-145-CR-13.

The proposed COPA factors in this application reflect the projected cost of power for August 2016 through December 2017 using projected billing units for the period and the applicable wholesale rates effective August 1 2016. Tariff sheets affected are: 1, 1A, and 1B; Sheet No. 1C is not affected and has therefore been omitted from this filing. The wholesale rate from Basin has changed from the current rate which became effective in

January 2016. The proposed COPA factors also reflect the reconciliation of the COPA revenue for the months of October 2015 through May 2016 and the accrual of interest on any over-recovered balances during the true-up period. The COPA factors proposed in this application and the resulting increase in revenue are listed below:

	Existing COPA Factor	Proposed COPA Factor	Change in Revenue
All Rate Classes except			
LPT and LPT-CBM	\$0.003338	\$0.009131	\$9,239,798
LPT	\$0.005675	\$0.012685	\$8,059,004
LPT-CBM	\$0.003961	\$0.012181	\$1,094,788

The net change in revenues resulting from the proposed changes to the Cooperative's COPA factors is \$18,393,590, as shown in Exhibit A-2. This consists of a net change to 2016 revenues in the amount of \$5,547,214, with the remaining change in 2017 revenues. The proposed COPA factor will be adjusted to reflect the 2017 base rate once approved by the Wyoming Public Service commission as part of docket 10014-168-CR-16.

In support of this Application, the Cooperative states:

**1. Company Operations.** 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. 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. The rates charged by the Cooperative for its electric service have been established and placed in effect under appropriate Orders of the Commission.

**2. Authority.** This Application is filed pursuant to Wyoming Statute § 37-3-106, §249 and §250 of the Rules and the current COPA procedures set forth in the

Cooperative's Billing Adjustments (BA) Tariff (Original Sheets 34 through 38, approved in Docket No. 10014-145-CR-13).

**3. Test-Year.** The test year for this application is based on projected sales for the August 2016 through December 31, 2017.

**4. Wholesale Power Supply.** The Cooperative is a Class A member of Basin Electric Power Cooperative (Basin Electric), in Bismarck, North Dakota, and purchases all of its power requirements through agreements and contracts with Basin Electric. The Cooperative has an all requirements contract with Basin Electric that extends through December 31, 2057.

**5. Purchased Power Costs for 2016-2017.** The Cooperative's projected purchased power costs for 2016-2017 are calculated to be \$193,264,388, as shown in Exhibit B-1. Of this total amount, \$81,441,719 and \$8,494,826 are the projected power costs for the LPT and LPT-CBM and General rate classes, respectively, as shown in Exhibits C-1 and C-2. The Cooperative's projected power costs are based on the Cooperative's projected demand and energy purchases for August 2016 through December 2017 and were calculated using Basin Electric's published Class A rates, Basin's Hybrid rate for Western Division purchases, and Western Area Power Administration's (WAPA) rates effective August 1, 2016. For the test year, the Cooperative's average wholesale power cost is projected to be 64.71 mills per kWh, compared to the projected average of 57.22 mills per kWh used to calculate the existing COPA factor.

**6. Cost of Power Adjustment.** The proposed Cost of Power Adjustment for 2016-2017 is equal to the sum of the recoverable power cost for 2016 and the over/under recovery for the 2015/2016 true-up period. The recoverable power cost for 2016/2017 is

calculated by taking the difference between the projected power cost for 2016/2017 and the base cost of power recovered through the Cooperative's retail rates. Adding the over-recovery from the 2015/2016 true-up period to the recoverable power cost for 2016/2017 results in a total projected Cost of Power Adjustment of \$30,769,313 as shown below:

Recoverable Power Cost for 2016	\$ 31,732,887
Under Recovery from True-up Period	(963,574)
Total Cost of Power Adjustment	\$30,769,313

Of this total, \$14,563,505 is associated with all rate classes other than the LPT and LPT-CBM rate classes (Exhibit A-1, Line 10); \$14,583,454, is associated with the LPT rate class (Exhibit A-1, Line 19); and \$1,622,355 is associated with the LPT-CBM and General rate classes (Exhibit A-1, Line 28).

The cost of power is calculated separately for the Cooperative's large power transmission rate classes in order to accurately reflect the assignment of fixed costs to each class. Basin Electric's Class A rate is applicable to wholesale purchases for the large power transmission classes, but the allocation of fixed cost is reduced over time as load growth increases for the remainder of the system. Separate COPA factors are necessary to track the change in power cost for these classes relative to the base power cost included in the base retail rates.

**7. COPA Over/Under Recovery.** The proposed COPA for 2016/2017 includes a reconciliation of COPA revenues for the months of October 2015 through May 2015. During this period, the Cooperative recovered \$4,725,149 from its members through the COPA, based on the difference between the projected cost of power for the period and the base cost of power recovered in the retail rates. In addition, \$108,227 was recovered from Cooperative's members that related to the true-up of a prior twelve-month

period. Therefore, total net amount recovered through the COPA during the current true-up period was \$4,833,376. The actual COPA revenue collected in the twelve-month true-up period is summarized on Exhibit S.

Exhibits E through L show the calculations of the COPA over/under recovery for each month in the true-up period. These calculations are summarized on Exhibit D. Additionally, Exhibit D shows the accrual of interest on any monthly over- or under-recovered balance for the rate classes during the Twelve (12) month true-up period.

The total system over-recovery for this time frame is \$854,128 and is included in the calculation of the COPA factors for 2016/2017 (Exhibit A-1). Of this amount, \$703,115 is an over-recovery from all customers other than the LPT and LPT-CBM rate classes; \$154,414 is an over-recovery from the LPT rate class; and \$19,487 is an under-recovery from the LPT-CBM rate class.

**8. Supporting Documentation.** The Cooperative submits the testimony of Mr. David W. Hedrick and Exhibits A through T in support of this application.

**9. Tariff Rate Riders.** The proposed Tariff Rate Riders are included.

**10. Contacts.** 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; Mr. Mark L. Hughes, Attorney for the Applicant, Post Office Box 456, Sundance, Wyoming 82729 and Mr. David W. Hedrick, C. H. Guernsey & Company, 5555 North Grand Boulevard, Oklahoma City, OK 73112-5507.

**WHEREFORE**, the Cooperative respectfully requests that the Commission, in accordance with Wyoming statutory provisions and the Commission's rules, enter an order effective September 1, 2016, authorizing the Cooperative to implement the proposed COPA for 2016.

Dated at Sundance, Wyoming this 12<sup>th</sup> day of July 2016.

POWDER RIVER ENERGY CORPORATION



Michael E. Easley  
Chief Executive Officer  
Powder River Energy Corporation  
P.O. Box 930  
Sundance, WY 82729-0930  
(307) 283-4900

**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~~ 5th Revised Sheet No. 1  
~~Cancels 3rd Revised Sheet No. 1~~ Cancels 4th 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	<del>0.003338</del> \$0.009131	\$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	<del>0.003338</del> \$0.009131	\$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	<del>0.003338</del> \$0.009131	\$0.077718
	All kWh - Off Peak	\$0.05000	<del>0.003338</del> \$0.009131	\$0.053338
	<u>June-August</u> \$/kWh - All kWh	\$0.07108	<del>0.003338</del> \$0.009131	\$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	<del>0.003338</del> \$0.009131	\$0.074418
	<u>October - April</u> Heat Credit per kWh of Electric Resistant Heat	\$0.03361		\$0.03361

Date Issued: July 13, 2016 ~~November 23, 2015~~

Date Effective: September 1, 2016 ~~January 10, 2016~~

By: 

Title: Chief Executive Officer



**THE PUBLIC SERVICE COMMISSION OF WYOMING**

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

WY PSC

Tariff No. 7

~~3rd Revised Sheet No. 1A~~ 4th Revised Sheet No. 1A  
 Cancels ~~2nd Revised Sheet No. 1A~~ Cancels 3rd Revised Sheet No. 1A

TARIFF RATE RIDER				
- continued -				
Class	Billing Unit	2014 Base Rate	2016 COPA	2016 Adj. Rate Tariff
General Service (GS)	<u>Basic Charge</u>			
	Single-Phase	\$30.00		\$30.00
	Three-Phase	\$35.00		\$35.00
	\$/kWh - All kWh	\$0.07108	<del>0.003338</del> \$0.009131	\$0.074418
Large Power (LP)	<u>Basic Charge</u>	\$132.50		\$132.50
	<u>\$/kWh</u>			
	First 200 kWh/mon/kW	\$0.06170	<del>0.003338</del> \$0.009131	\$0.065038
	Excess kWh/mon	\$0.04170	<del>0.003338</del> \$0.009131	\$0.045038
	<u>\$/kW</u>			
	First 50 kW	\$2.75		\$2.75
	Excess kW	\$5.45		\$5.45
Irrigation (I)	\$/kWh - All kWh	\$0.06680	<del>0.003338</del> \$0.009131	\$0.070138
	Annual Charge / H.P.	\$18.50		\$18.50
Outdoor Lighting (OL)	<u>\$/Month</u>			
	175W - MV	\$8.20	<del>0.27</del> \$0.75	\$8.47
	100W - HPS	\$8.20	<del>0.17</del> \$0.47	\$8.37
Street Lighting (SL)	<u>\$/Month</u>			
	175W - MV	\$8.20	<del>0.27</del> \$0.75	\$8.47
	400W - MV	\$14.65	<del>0.57</del> \$1.57	\$15.22
	150W - HPS	\$8.20	<del>0.26</del> \$0.71	\$8.46
	400W - HPS	\$14.65	<del>0.63</del> \$1.72	\$15.28
Large Power Transmission Coal Mine (LPT-CM)	<u>Distribution Component</u>			
	Basic Charge	\$600.00		\$600.00
	Demand Charge	\$0.80/NCP kW		\$0.80/NCP kW
	<u>Power Supply Component</u>			
	Demand Charge	\$13.33/NCP kW		\$13.33/NCP kW
	Energy Charge	\$0.027410	<del>0.005675</del> \$0.01685	\$0.033085

Date Issued: July 13, 2016 ~~November 23, 2015~~

Date Effective: September 1, 2016 ~~January 10, 2016~~

By: 

Title: Chief Executive Officer

**THE PUBLIC SERVICE COMMISSION OF WYOMING**

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

WY PSC


Tariff No. 7

~~3rd Revised Sheet No. 1B~~ 4th Revised Sheet No. 1B  
~~Cancels 2nd Revised Sheet No. 1B~~ Cancels 3rd Revised Sheet No. 1B

TARIFF RATE RIDER				
-continued-				
Class	Billing Unit	2014 Base Rate	2016 COPA	2016 Adj. Rate Tariff
Large Power Transmission General (LPT-G)	<u>Distribution Component</u>			
	Basic Charge	\$600.00		\$600.00
	Demand Charge	\$0.70/NCP kW		\$0.70/NCP kW
	<u>Power Supply Component</u>			
	Demand Charge	\$16.99/CP kW		\$16.99/CP kW
	Energy Charge	\$0.027720	<del>0.003964</del> \$0.012181	\$0.031681
General Service CBM (GS-CBM)	<u>Basic Charge</u>			
	Single-Phase	\$35.00		\$35.00
	Three-Phase	\$40.00		\$40.00
	\$/kWh - All kWh	\$0.08400	<del>0.003338</del> \$0.009131	\$0.087338
Large Power CBM (LP-CBM)	<u>Basic Charge</u>			
	Secondary Delivery	\$142.50		\$142.50
	Primary Delivery	\$177.50		\$177.50
	<u>\$/kWh</u>			
	First 200 kWh/mon/kW	\$0.05969	<del>0.003338</del> \$0.009131	\$0.063028
	Excess kWh/mon	\$0.03969	<del>0.003338</del> \$0.009131	\$0.043028
	<u>\$/kW</u>			
	First 50 kW	\$3.20		\$3.20
	Excess kW	\$7.20		\$7.20
Large Power Transmission CBM (LPT-CBM)	<u>Distribution Component</u>			
	Basic Charge	\$1,000.00		\$1,000.00
	Demand Charge	\$1.50/NCP kW		\$1.50/NCP kW
	<u>Power Supply Component</u>			
	Demand Charge	\$16.99/CP kW		\$16.99/CP kW
	Energy Charge	\$0.027720	<del>0.003964</del> \$0.012181	\$0.031681

Date Issued: July 13, 2016 ~~November 23, 2015~~

Date Effective: September 1, 2016 ~~January 10, 2016~~

By: 

Title: Chief Executive Officer

**BEFORE THE  
WYOMING PUBLIC SERVICE COMMISSION**

**DIRECT TESTIMONY  
OF  
DAVID W. HEDRICK  
C. H. GUERNSEY & COMPANY  
OKLAHOMA CITY, OKLAHOMA**

**ON BEHALF OF  
POWDER RIVER ENERGY CORPORATION, INC.**

**Docket No. 10014-172-CP-16**

1 **Q. Please state your name and business address.**

2 A. My name is David W. Hedrick and my business address is 5555 North Grand  
3 Boulevard, Oklahoma City, Oklahoma 73112-5507.

4 **Q. By whom are you employed and what is your position?**

5 A. I am employed by C. H. Guernsey & Company. I am a Vice President of the  
6 company and I work primarily in the area of Electric Rate Analysis.

7 **Q. Please summarize your educational and professional background.**

8 A. I have earned a Bachelor of Science degree from the University of Central  
9 Oklahoma and an M.B.A. degree from Oklahoma City, University. I have been  
10 employed by C. H. Guernsey & Company since 1981.

11 **Q. Have you previously testified before regulatory commissions?**

12 A. Yes. I have testified before the Arizona Corporation Commission, the Arkansas  
13 Public Service Commission, the Oklahoma Corporation Commission, the Public  
14 Utility Commission of Texas, and the Wyoming Public Service Commission.

15 **Q. Whom do you represent in this proceeding?**

16 A. I represent Powder River Energy Corporation ("PRECorp" or "the Cooperative").

17 **Q. What is the purpose of your testimony?**

18 A. I will provide testimony describing the purpose and development of Cost of  
19 Power Adjustment (COPA) for the remainder of 2016 and all of 2017.

20 **Q. What is the purpose of the Cost of Power Adjustment?**

21 A. The COPA provides a mechanism by which the Cooperative can recover/return  
22 changes in power cost increases or decreases relative to the amount of power  
23 cost embedded in the base retail rates. The change in power cost can be a  
24 result of an actual change in the wholesale rates charged by the Cooperative's  
25 power supplier or as a result of a change in billing units that results in a change  
26 in average power cost per kWh. The COPA ensures that the Cooperative's  
27 margins are not affected by changes in the wholesale cost of power and that any  
28 increases or decreases are passed on to the Members of the system.

29 **Q. Has a COPA application already been approved to revise the COPA for**  
30 **2016?**

31 A. Yes, an application was made on November 23, 2015 and an order was issued  
32 approving the COPA effective January 10, 2016.

33 **Q. Why is it necessary to make a COPA filing at this time when the current**  
34 **COPA became effective January 10, 2016?**

35 A. In June 2016 PRECorp was notified by its wholesale power provider, Basin  
36 Electric Power Cooperative (BEPC) that a wholesale rate change would become  
37 effective August 1, 2016. In order for PRECorp to recover the increased power  
38 cost expense it is necessary to make a COPA filing using Basin's new wholesale  
39 rate and to implement the new COPA at the same time the wholesale rate  
40 change becomes effective.

41 **Q. Do you anticipate making another COPA application for a new COPA factor**  
42 **to become effective in January 2017?**

43 A. At this time, it is expected that this COPA would be effective through the end of  
44 2017. There may be a need to update the COPA prior to the end of 2017 if there  
45 is another wholesale rate change or a significant change in PRECorp's average  
46 cost of power that may occur as a result of rapidly changing usage behaviors.

47 **Q. Please describe the general process involved in developing the COPA for**  
48 **2016/2017.**

49 A. The calculation of the COPA factor to be applied beginning in September 2016 is  
50 the sum of two components: the projected over/under recovery of power cost for  
51 2016/2017, plus a true-up of the over/under recovery for the prior period. The  
52 prior period over/under recovery includes October 2015 through May 2016, which  
53 is the most recent month of actuals available. The projected power cost is based  
54 on the wholesale rates applicable in August 2016, multiplied by the projected  
55 billing units for 2016/2017. The prior period over/under recovery is determined  
56 based on the actual COPA revenue recovered compared to the actual  
57 recoverable power cost. In compliance with Wyoming PSC rules, an interest  
58 component has been added to each month in the prior period when the  
59 Cooperative was in an over-recovered position.

60 **Q. Please describe A-1.**

61 A. **EXHIBIT A-1** is the summary schedule showing the development of the  
62 proposed 2016/2017 COPA factor for the three customer groups: Remainder of  
63 System, Large Power Transmission, and Large Power Transmission – CBM and  
64 General. The projected power cost for the three groups is developed on  
65 **EXHIBITS B-1, C-1, and C-2**. The base power cost in rates (per unit rates) is the  
66 amount approved in Docket No. 10014-145-CR-13. The base power cost in  
67 rates multiplied by the projected kWh sold produces the Base Power Cost in

68 Rates in dollars. Subtract this amount from the projected power cost to  
69 determine the recoverable power cost. The over/under recovery for the prior  
70 period is added to the recoverable power cost to determine the total amount to  
71 include in the COPA for 2016. This amount is divided by the total projected kWh  
72 to determine the factor to be applied.

73 **Q. Please describe EXHIBIT A-2.**

74 A. **EXHIBIT A-2** shows the calculation of the change in COPA revenue resulting  
75 from the application of the proposed COPA factor for 2016/2017. The change in  
76 revenue is calculated by applying the change from existing to proposed COPA  
77 factor to the projected kWh sold for 2016/2017. The total increase in revenue is  
78 \$18,393,590.

79 **Q. Please describe the development of the projected power cost shown on**  
80 **EXHIBITS B-1, C-1, and C-2.**

81 A. **EXHIBIT B-1** is the calculation of the projected total 2016/2017 power cost for  
82 the system. The projected billing units were developed by the Cooperative  
83 based on the projected demand and energy requirements for 2016/2017. The  
84 wholesale rates used to develop the projected power cost are the rates to be  
85 applied beginning in August 2016, which include Basin Electric's published Class  
86 A rates, Basin's Hybrid rate for Western Division purchases, and WAPA's  
87 (Western Area Power Administration) rates, which apply to the small WAPA  
88 allocation the Cooperative receives through Basin Electric.

89 **EXHIBIT C-1** shows the calculation of the projected power cost for the Large  
90 Power Transmission class based on the projected billing units for 2016/2017 and  
91 the effective Basin Rate to be applied beginning in August 2016. **EXHIBIT C-2**  
92 shows the calculation of the projected power cost for the Large Power

93 Transmission – CBM and General class based on the projected billing units for  
94 2016/2017 and the effective Basin Rate to be applied beginning in August 2016.

95 **Q. What is the projected change in COPA revenue?**

96 A. The Application of the proposed COPA for 2016 results in an increase in COPA  
97 revenue of \$18.393.590. **EXHIBIT A-2** shows the change in both the  
98 recoverable power cost component and the over/under recovery component of  
99 the COPA factors.

100 **Q. Please describe the Summary of COPA Over/Under Recovery, shown on**  
101 **EXHIBIT D.**

102 A. Column (a) of **EXHIBIT D** is the number of days in the month for purposes of  
103 calculating the interest on any over-collected balance. Column (b) provides the  
104 summary of the actual over/under recovery for the months of October 2015  
105 through May 2016, as developed on **EXHIBIT E** through **EXHIBIT L** for each  
106 individual month. Column (c) is the component of the COPA revenue for a prior  
107 year true-up. Column (d) is the sum of the prior month's total over/under  
108 recovery (which includes interest) plus column (b) and column (c). Column (d) is  
109 the amount upon which monthly interest is calculated. Column (e) is the  
110 applicable interest rate for the period. Column (f) is the calculation of interest  
111 based upon the balance in column (d), the number of days in Column (a), and  
112 the interest rate in column (e). Column (g) is the sum of columns (d) and (f).

113 **Q. What does the May 2016 balance for each of the three groups represent?**

114 A. The balance at May 2016 represents the amount by which the COPA is  
115 over/under recovered for the customer group. The May 2016 balances shown on  
116 **EXHIBIT D** are included in the calculation of the 2016/2017 COPA factor on  
117 **EXHIBIT A-1** as an over/under recovery amount for the prior period.

118 **Q. Please describe the development of the monthly over/under recovery as**  
119 **shown on EXHIBITS E through L.**

120 A. The summary of the actual power cost for the three different groups is shown on  
121 **EXHIBITS Q, R-1, and R-2.** The base cost in rates (per-unit rates) is the amount  
122 included in the Cooperative's Billing Adjustment tariff. This base power cost  
123 multiplied times the actual kWh sold for the period determines the actual base  
124 power cost (in dollars). The actual power cost less the base power cost in rates  
125 provides the recoverable power cost for the period. The recoverable power cost  
126 less the actual COPA revenue provides the amount of the over/under recovery  
127 for the period.

128 **Q. Has the Cooperative confirmed that the power cost as projected represents**  
129 **the best option available?**

130 A. The Cooperative has a long-term all requirements purchase agreement with  
131 Basin Electric and therefore does not have the ability to choose a different power  
132 supplier.

133 **Q. What financial information has the Cooperative provided as an indication of**  
134 **the current financial condition of the Cooperative?**

135 A. **EXHIBIT T** is the comparative income statement reflecting the Adjusted 2012 test  
136 year as approved in Docket No. 10014-145-CR-13, the Actual 2015 period and  
137 the Budgeted 2016 period which includes the revised COPA for 2016. The  
138 operating margins and financial ratios indicate that the Cooperative is not in an  
139 over-earnings position.

140 **Q. Does this conclude your testimony?**

141 A. Yes, it does.



**POWDER RIVER ENERGY CORPORATION**  
**CALCULATION OF COPA FACTOR FOR 2016 - 2017**

		<u>Amount</u>
<b><u>Remainder of System</u></b>		
1	Projected Cost of Power for 2016 - 2017 (Exhibit B-1, Page 2)	193,264,388
2	Less: Projected LPT Power Cost (L12)	81,441,719
3	Less: LPT CBM Power Cost (L21)	8,494,823
4	Remainder System Power Cost	103,327,846
5	Base Power Cost In Rates \$/kWh Sold	0.055330
6	Projected kWh Sold for 8/1/16-12/31/17	1,594,879,438
7	Base Power Cost in Rates \$	88,244,679
8	Recoverable Power Cost (L4 - L7)	15,083,167
9	(Over)/Under Recovery for 2016 (Exhibit D)	(519,661)
10	Total Amount to Include in COPA for 2017	14,563,505
11	Calculated COPA Factor for 8/1/16-12/31/17 (L10/L6)	0.009131
	<b><u>Projected Billing Unit</u></b>	
<b><u>Large Power Transmission - LPT</u></b>		
12	Projected LPT Power Cost for 2016 - 2017 (Exhibit C-1)	81,441,719
13	LPT Base Power Cost In Rates: (Proposed tariff)	
14	Base Demand Charge NCP Billed @ Meter	2,612,774 13.33
15	Base Energy Charge kWh Billed @ Meter	1,149,682,815 0.027410
16	Total LPTC Base Power Cost in Rate	66,341,087
17	LPT Recoverable Power Cost (L12 - L16)	15,100,632
18	(Over)/Under Recovery for 2016 (Exhibit D)	(517,179)
19	Total Amount to Include in LPT COPA for 8/1/16-12/31/17	14,583,454
20	LPT COPA Factor for 8/1/16-12/31/17 (L19/ kWh Sold for Class)	1,149,682,815 0.012685
<b><u>Large Power Transmission - LPT-CBM &amp; Other</u></b>		
21	Projected LPT-CBM Power Cost for 2016 - 2017 (Exhibit C-2)	8,494,823
22	LPT-CBM Base Power Cost In Rates: (Proposed tariff)	
23	Base Demand Charge CP Billed @ Meter	191,507 16.99
24	Base Energy Charge kWh Billed @ Meter	133,190,232 0.027720
25	Total LPTC Base Power Cost in Rate	6,945,734
26	LPT Recoverable Power Cost (L21 - L25)	1,549,089
27	(Over)/Under Recovery for 2016 (Exhibit D)	73,266
28	Total Amount to Include in LPT-CBM COPA for 8/1/16-12/31/17	1,622,355
29	LPT COPA Factor for 2016 - 2017 (L28/ kWh Sold for Class)	133,190,232 0.012181

**POWDER RIVER ENERGY CORPORATION**  
**CALCULATION OF INCREASED COPA REVENUE**

	<u>Existing COPA</u>	<u>Proposed COPA</u>	<u>Change in COPA</u>	<u>Projected kWh</u>	<u>Change \$</u>
<u>Total COPA</u>					
Remainder of System	0.003338	0.009131	0.005793	1,594,879,438	9,239,798
Large Power Transmission	0.005675	0.012685	0.007010	1,149,682,815	8,059,004
Large Power Transmission CBM	0.003961	0.012181	0.008220	133,190,232	1,094,788
Total				2,877,752,485	18,393,590
<u>Power Cost Component</u>					
Remainder of System	0.003213	0.009457	0.006244	1,594,879,438	9,958,820
Large Power Transmission	0.005785	0.013135	0.007350	1,149,682,815	8,449,717
Large Power Transmission CBM	0.004221	0.011631	0.007410	133,190,232	986,893
Total					19,395,430
<u>(Over)/Under Recovery Component</u>					
Remainder of System	0.000125	(0.000326)	(0.000451)	1,594,879,438	(719,021)
Large Power Transmission	(0.000110)	(0.000450)	(0.000340)	1,149,682,815	(390,713)
Large Power Transmission CBM	(0.000260)	0.000550	0.000810	133,190,232	107,895
Total					(1,001,839)

POWDER RIVER ENERGY CORPORATION

PROJECTED PURCHASED POWER USING AUGUST 2016 BASIN RATE FOR ALL BASIN LOAD  
FOR THE SEVENTEEN MONTHS ENDING 2017

	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>
<u>Black Hills Electric</u>									
Energy - kWh	0	0	0	0	564,969	0	0	0	0
Billing					32,000				
<u>WAPA</u>									
Metered Demand - kW	8,670	6,684	8,788	9,214	9,877	8,066	6,959	7,047	6,550
Metered Energy - kWh	5,717,299	4,261,025	5,699,303	5,718,985	6,296,433	5,443,328	4,302,741	4,479,119	4,066,446
<u>WAPA Billing Calculation</u>									
Demand Billing	47,077.92	36,291.62	47,720.69	50,033.43	53,633.80	43,796.32	37,788.26	38,265.88	35,564.79
Energy Billing	118,405.25	88,245.82	118,032.57	118,440.18	130,399.13	112,731.31	89,109.76	92,762.56	84,216.10
Total	165,483.17	124,537.44	165,753.26	168,473.60	184,032.93	156,527.64	126,898.02	131,028.43	119,780.89
<u>BASIN</u>									
Projected kW Purchased	249,929.61	253,032.75	258,620.92	282,579.47	292,932.52	277,487.97	273,228.40	261,888.13	241,004.13
Projected kWh Purchased	162,570,467	159,068,007	165,441,848	172,975,415	184,417,419	184,799,873	166,758,353	164,242,075	147,713,080
<u>BASIN Billing Calculation</u>									
Demand Charge	20.34	20.34	20.34	20.34	20.34	20.34	20.34	20.34	20.34
Energy Charge	0.03331	0.03331	0.03331	0.03331	0.03331	0.03331	0.03331	0.03331	0.03331
PCA Demand Credit	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
PCA Energy Credit	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Demand Billing	5,083,568.21	5,146,686.05	5,260,349.44	5,747,666.33	5,958,247.45	5,644,105.40	5,557,465.70	5,326,804.48	4,902,024.07
Fixed Charges	4,400.00	4,400.00	4,400.00	4,400.00	4,400.00	4,400.00	4,400.00	4,400.00	4,400.00
Energy Billing	5,415,222.27	5,298,555.31	5,510,867.96	5,761,811.07	6,142,944.22	6,155,683.77	5,554,720.72	5,470,903.53	4,920,322.70
Wheeling Charges									
Substation Lease Credit	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Direct Dues Charge		82,500.00							
Data Incentive Credit	(16,628.86)	(17,355.01)	(16,816.69)	(17,560.32)	(18,374.90)	(19,637.66)	(19,580.07)	(17,577.40)	(17,327.91)
Other	37,500.00	37,500.00	37,500.00	37,500.00	37,500.00	37,500.00	37,500.00	37,500.00	37,500.00
Total	10,524,061.62	10,552,286.35	10,796,300.70	11,533,817.08	12,124,716.77	11,822,051.51	11,134,506.36	10,822,030.61	9,846,918.87
<u>Western Division</u>									
CP kW Metered	8,532	7,782	6,753	8,369	8,084	8,773	7,749	7,294	6,185
Energy kWh Metered	5,262,314	4,837,898	4,462,036	5,054,593	5,662,766	5,557,508	4,712,949	4,557,866	4,113,192
<u>Hybrid Rate from Basin</u>									
CP Demand Charge	20.34	20.34	20.34	20.34	20.34	20.34	20.34	20.34	20.34
Energy Charge	0.03623	0.03623	0.03623	0.03623	0.03623	0.03623	0.03623	0.03623	0.03623
CP Billing	173,539	158,277	137,352	170,231	164,425	178,435	157,621	148,357	125,807
Energy Billing	190,654	175,277	161,660	183,128	205,162	201,349	170,750	165,131	149,021
Total	364,192	333,554	299,012	353,359	369,587	379,783	328,371	313,489	274,828
<u>Compression</u>									
CP kW Metered									
Energy kWh Metered									
<u>Compression Rate</u>									
CP Demand Charge	20.34	20.34	20.34	20.34	20.34	20.34	20.34	20.34	20.34
Energy Charge	0.03331	0.03331	0.03331	0.03331	0.03331	0.03331	0.03331	0.03331	0.03331
CP Billing	0	0	0	0	0	0	0	0	0
Energy Billing	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0
Total Billing kW	267,131	267,498	274,162	300,163	310,894	294,326	287,937	276,229	253,739
Total kWh	173,550,080	168,166,929	175,603,188	183,748,992	196,941,586	195,800,709	175,774,042	173,279,061	155,892,718
Total Power Cost	11,053,737	11,010,378	11,261,066	12,055,650	12,710,337	12,358,362	11,589,776	11,266,548	10,241,528

POWDER RIVER ENERGY CORPORATION  
PROJECTED PURCHASED POWER USING AUGUST 2016 BASIN RATE FOR ALL BASIN LOAD  
FOR THE SEVENTEEN MONTHS ENDING

	May	June	July	August	September	October	November	December	Total
<u>Black Hills Electric</u>									
Energy - kWh	0	0	0	0	0	0	0	564,969	1,129,938
Billing								32,000	64,000
<u>WAPA</u>									
Metered Demand - kW	7,604	9,071	11,179	8,616	6,639	8,734	9,146	9,815	142,659
Metered Energy - kWh	4,793,207	5,623,993	7,088,783	5,714,181	4,261,296	5,697,776	5,707,880	6,287,635	91,159,429
<u>WAPA Billing Calculation</u>									
Demand Billing	41,292.19	49,254.74	60,703.62	46,782.52	36,047.61	47,427.98	49,661.34	53,297.36	774,640
Energy Billing	99,267.31	116,472.89	146,808.69	118,340.69	88,251.45	118,000.94	118,210.20	130,216.92	1,887,912
Total	140,559.50	165,727.63	207,512.31	165,123.21	124,299.06	165,428.92	167,871.53	183,514.28	2,662,552
<u>BASIN</u>									
Projected kW Purchased	253,819.50	239,536.33	246,320.15	248,361.39	251,331.44	257,034.58	280,477.97	291,094.99	4,458,680
Projected kWh Purchased	157,926,181	146,876,852	153,899,058	162,481,817	159,078,144	165,397,519	172,639,547	184,159,734	2,810,445,389
<u>BASIN Billing Calculation</u>									
Demand Charge	20.34	20.34	20.34	20.34	20.34	20.34	20.34	20.34	20.34
Energy Charge	0.03331	0.03331	0.03331	0.03331	0.03331	0.03331	0.03331	0.03331	0.03331
PCA Demand Credit	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
PCA Energy Credit	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Demand Billing	5,162,688.70	4,872,168.98	5,010,151.87	5,051,670.62	5,112,081.45	5,228,083.42	5,704,921.88	5,920,872.02	90,689,556.08
Fixed Charges	4,400.00	4,400.00	4,400.00	4,400.00	4,400.00	4,400.00	4,400.00	4,400.00	74,800.00
Energy Billing	5,260,521.10	4,892,467.93	5,126,377.61	5,412,269.31	5,298,892.99	5,509,391.37	5,750,623.31	6,134,360.74	93,615,935.92
Wheeling Charges									0.00
Substation Lease Credit	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Direct Dues Charge					0.00				82,500.00
Data Incentive Credit	(15,589.27)	(16,744.30)	(15,697.33)	(16,630.16)	(17,345.54)	(16,817.76)	(17,555.61)	(18,339.22)	-295,578.03
Other	37,500.00	37,500.00	37,500.00	37,500.00	37,500.00	37,500.00	37,500.00	37,500.00	637,500.00
Total	10,449,520.53	9,789,792.61	10,162,732.15	10,489,209.77	10,435,528.89	10,762,557.02	11,479,889.58	12,078,793.54	184,804,713.97
<u>Western Division</u>									
CP kW Metered	7,389	7,418	8,675	8,478	7,729	6,711	8,307	8,033	132,261
Energy kWh Metered	4,723,619	4,472,446	5,313,740	5,259,445	4,838,206	4,460,841	5,044,778	5,654,853	83,989,048
<u>Hybrid Rate from Basin</u>									
CP Demand Charge	20.34	20.34	20.34	20.34	20.34	20.34	20.34	20.34	20.34
Energy Charge	0.03623	0.03623	0.03623	0.03623	0.03623	0.03623	0.03623	0.03623	0.03623
CP Billing	150,296	150,875	176,451	172,450	157,213	136,510	168,965	163,394	2,690,199
Energy Billing	171,137	162,037	192,517	190,550	175,288	161,616	182,772	204,875	3,042,923
Total	321,433	312,911	368,968	362,999	332,501	298,126	351,737	368,269	5,733,122
<u>Compression</u>									
CP kW Metered									-
Energy kWh Metered									-
<u>Compression Rate</u>									
CP Demand Charge	20.34	20.34	20.34	20.34	20.34	20.34	20.34	20.34	20.34
Energy Charge	0.03331	0.03331	0.03331	0.03331	0.03331	0.03331	0.03331	0.03331	0.03331
CP Billing	0	0	0	0	0	0	0	0	0
Energy Billing	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0
Total Billing kW	268,813	256,025	266,175	265,455	265,699	272,480	297,931	308,943	4,690,368
Total kWh	167,443,007	156,973,290	166,301,580	173,455,442	168,177,647	175,556,136	183,392,205	196,667,191	2,986,723,804
Total Power Cost	10,911,513	10,268,431	10,739,213	11,017,332	10,892,329	11,226,112	11,999,499	12,662,577	193,264,388

POWDER RIVER ENERGY CORPORATION

PROJECTED POWER COST THROUGH 2017 FOR LARGE POWER TRANSMISSION - (LPT)

	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>
<b><u>Billing Units @ Basin Level</u></b>									
Total Basin Billing kW	249,930	253,033	258,621	282,579	292,933	277,488	273,228	261,888	241,004
LPT Billing kW	126,697	121,851	129,904	133,518	135,644	115,489	110,894	105,132	96,276
LPT kW as % of Total	50.69%	48.16%	50.23%	47.25%	46.31%	41.62%	40.59%	40.14%	39.95%
Total LPT kWh Purchased	71,393,656	69,050,817	72,873,494	74,745,373	77,248,656	70,710,014	62,190,203	58,739,812	50,104,677
<b><u>Effective Basin Rate</u></b>									
Demand Charge	20.34	20.34	20.34	20.34	20.34	20.34	20.34	20.34	20.34
Energy Charge	0.03331	0.03331	0.03331	0.03331	0.03331	0.03331	0.03331	0.03331	0.03331
Fixed Charges per CP kW	0.0177	0.0175	0.0171	0.0157	0.0151	0.0168	0.0168	0.0168	0.0168
Substation Lease per CP kW	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Wheeling Charge per CP kW	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Adjustments/Other Credits	0.00023	0.00075	0.00023	0.00022	0.00020	0.00020	0.00022	0.00023	0.00025
Demand Billing	2,577,025	2,478,447	2,642,246	2,715,755	2,759,008	2,349,039	2,255,582	2,138,375	1,958,255
Energy Billing	2,378,123	2,300,083	2,427,416	2,489,768	2,573,153	2,355,351	2,071,556	1,956,623	1,668,987
Fixed Charges Billing	2,245	2,133	2,224	2,095	2,050	1,937	1,860	1,764	1,615
Substation Lease Billing	0	0	0	0	0	0	0	0	0
Wheeling Charges Billing	0	0	0	0	0	0	0	0	0
Adjustments/Other Credits	16,468	52,092	16,518	16,204	15,708	14,349	13,985	13,412	12,720
Total LPT Power Cost	4,973,860	4,832,755	5,088,404	5,223,822	5,349,919	4,720,676	4,342,983	4,110,174	3,641,577

POWDER RIVER ENERGY CORPORATION

PROJECTED POWER COST THROUGH FOR LARGE POWER TRANSMISSION - (LPT)

	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>Total</u>
<b><u>Billing Units @ Basin Level</u></b>									
Total Basin Billing kW	253,820	239,536	246,320	248,361	251,331	257,035	280,478	291,095	4,458,680
LPT Billing kW	125,796	117,822	122,192	126,697	121,851	129,904	133,518	135,644	2,088,829
LPT kW as % of Total	49.56%	49.19%	49.61%	51.01%	48.48%	50.54%	47.60%	46.60%	46.85%
Total LPT kWh Purchased	64,225,801	58,408,359	64,452,261	71,393,656	69,050,817	72,873,494	74,745,373	77,248,656	1,159,455,119
<b><u>Effective Basin Rate</u></b>									
Demand Charge	20.34	20.34	20.34	20.34	20.34	20.34	20.34	20.34	
Energy Charge	0.03331	0.03331	0.03331	0.03331	0.03331	0.03331	0.03331	0.03331	
Fixed Charges per CP kW	0.0168	0.0168	0.0168	0.0168	0.0168	0.0168	0.0168	0.0168	
Substation Lease per CP kW	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
Wheeling Charge per CP kW	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	
Adjustments/Other Credits	0.00024	0.00026	0.00024	0.00023	0.00024	0.00023	0.00022	0.00020	
Demand Billing	2,558,681	2,396,490	2,485,393	2,577,025	2,478,447	2,642,246	2,715,755	2,759,008	42,486,778
Energy Billing	2,139,361	1,945,582	2,146,905	2,378,123	2,300,083	2,427,416	2,489,768	2,573,153	38,621,450
Fixed Charges Billing	2,110	1,977	2,050	2,126	2,044	2,179	2,240	2,276	34,925
Substation Lease Billing	0	0	0	0	0	0	0	0	0
Wheeling Charges Billing	0	0	0	0	0	0	0	0	0
Adjustments/Other Credits	15,251	14,913	15,705	16,477	16,278	16,522	16,236	15,730	298,567
Total LPT Power Cost	4,715,404	4,358,962	4,650,053	4,973,750	4,796,852	5,088,364	5,223,999	5,350,167	81,441,719

POWDER RIVER ENERGY CORPORATION

PROJECTED POWER COST THROUGH 2017 FOR LARGE POWER TRANSMISSION - CBM & OTHER

	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>
<b><u>Billing Units @ Basin Level</u></b>									
Total Basin Billing kW	249,930	253,033	258,621	282,579	292,933	277,488	273,228	261,888	241,004
LPT-CBM Billing kW	12,350	12,402	12,056	12,727	12,660	11,761	12,164	12,185	11,869
LPT-CBM kW as % of Total	4.94%	4.90%	4.66%	4.50%	4.32%	4.24%	4.45%	4.65%	4.92%
kWh Purchased	7,801,410	7,681,352	7,811,903	7,845,944	7,979,246	8,868,644	8,587,854	8,685,619	8,657,199
<b><u>Effective Basin Rate</u></b>									
Demand Charge	20.34	20.34	20.34	20.34	20.34	20.34	20.34	20.34	20.34
Energy Charge	0.03331	0.03331	0.03331	0.03331	0.03331	0.03331	0.03331	0.03331	0.03331
Fixed Charges per CP kW	0.0177	0.0175	0.0171	0.0157	0.0151	0.0168	0.0168	0.0168	0.0168
Substation Lease per CP kW	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Wheeling Charge per CP kW	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Adjustments/Other Credits	0.0002	0.0008	0.0002	0.0002	0.0002	0.0002	0.0002	0.0002	0.0003
Demand Billing	251,197	252,261	245,211	258,858	257,497	239,217	247,425	247,835	241,410
Energy Billing	259,865	255,866	260,214	261,348	265,789	295,415	286,061	289,318	288,371
Fixed Charges Billing	219	217	206	200	191	197	204	204	199
Substation Lease Billing	0	0	0	0	0	0	0	0	0
Wheeling Charges Billing	0	0	0	0	0	0	0	0	0
Adjustments/Other Credits	1,800	5,795	1,771	1,701	1,623	1,800	1,931	1,983	2,198
Total LPT - CBM Power Cost	513,080	514,138	507,403	522,107	525,099	536,628	535,622	539,340	532,178

**POWDER RIVER ENERGY CORPORATION**

**PROJECTED POWER COST THROUGH FOR LARGE POWER TRANSMISSION - CBM & OTHER**

	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>Total</u>
<b><u>Billing Units @ Basin Level</u></b>									
Total Basin Billing kW	253,820	239,536	246,320	248,361	251,331	257,035	280,478	291,095	4,458,680
LPT-CBM Billing kW	11,085	10,729	10,591	10,455	10,296	10,048	10,505	10,499	194,379
LPT-CBM kW as % of Total	4.37%	4.48%	4.30%	4.21%	4.10%	3.91%	3.75%	3.61%	4.36%
kWh Purchased	8,538,545	7,562,765	7,553,650	7,545,409	7,481,200	7,530,671	7,495,755	7,560,922	135,188,085
<b><u>Effective Basin Rate</u></b>									
Demand Charge	20.34	20.34	20.34	20.34	20.34	20.34	20.34	20.34	
Energy Charge	0.03331	0.03331	0.03331	0.03331	0.03331	0.03331	0.03331	0.03331	
Fixed Charges per CP kW	0.0168	0.0168	0.0168	0.0168	0.0168	0.0168	0.0168	0.0168	
Substation Lease per CP kW	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
Wheeling Charge per CP kW	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
Adjustments/Other Credits	0.0002	0.0003	0.0002	0.0002	0.0002	0.0002	0.0002	0.0002	
Demand Billing	225,466	218,220	215,419	212,650	209,428	204,372	213,667	213,544	3,953,677
Energy Billing	284,419	251,916	251,612	251,338	249,199	250,847	249,684	251,854	4,503,115
Fixed Charges Billing	186	180	178	175	173	169	176	176	3,251
Substation Lease Billing	0	0	0	0	0	0	0	0	0
Wheeling Charges Billing	0	0	0	0	0	0	0	0	0
Adjustments/Other Credits	2,028	1,931	1,841	1,741	1,764	1,707	1,628	1,540	34,779
Total LPT - CBM Power Cost	512,099	472,247	469,049	465,905	460,563	457,095	465,155	467,114	8,494,823



**POWDER RIVER ENERGY CORPORATION**  
**SUMMARY OF COPA OVER/UNDER RECOVERY**  
**FOR THE PERIOD OCTOBER 2015 THROUGH MAY 2016**

	(a)	(b)	(c)	(d)	(e)	(f)	(g)
	<u>Days</u>	<u>(Over)/Under Recovery</u>	<u>Prior Year True Up in COPA</u>	<u>Balance</u>	<u>Annual Interest Rate</u>	<u>Interest</u>	<u>Total (Over)/Under Recovery</u>
<b>Remainder Classes</b>							
Beginning Balance							162,187
October 15	31	(85,774)	40,682	117,094	1.68%	-	117,094
November 15	30	(37,769)	45,461	124,786	1.68%	-	124,786
December 15	31	(362,948)	2,783	(235,379)	1.68%	(336)	(235,715)
January 16	31	(93,587)	(14,357)	(343,658)	1.68%	(490)	(344,149)
February 16	29	240,728	(12,434)	(115,854)	1.68%	(155)	(116,009)
March 16	31	(89,488)	(12,561)	(218,058)	1.68%	(311)	(218,369)
April 16	30	(129,186)	(11,627)	(359,182)	1.68%	(496)	(359,678)
May 16	31	(145,091)	(11,248)	(516,017)	1.68%	(736)	(516,753)
June 16	30	-	-	(516,753)	1.68%	(714)	(517,467)
July 16	31	-	-	(517,467)	1.68%	(738)	(518,205)
August 16	31	-	-	(518,205)	1.68%	(739)	(518,945)
September 16	30	-	-	(518,945)	1.68%	(717)	(519,661)
Subtotal		(703,115)	26,699			(5,432)	
<b>LPT Class</b>							
Beginning Balance							(122,098)
October 15	31	105,026	(64,178)	(81,250)	1.68%	(116)	(81,366)
November 15	30	178,626	(65,679)	31,580	1.68%	-	31,580
December 15	31	(74,358)	(67,263)	(110,041)	1.68%	(157)	(110,198)
January 16	31	(68,505)	10,533	(168,169)	1.68%	(240)	(168,409)
February 16	29	(6,691)	9,253	(165,847)	1.68%	(221)	(166,069)
March 16	31	(126,698)	8,760	(284,006)	1.68%	(405)	(284,412)
April 16	30	(46,175)	7,398	(323,189)	1.68%	(446)	(323,635)
May 16	31	(196,679)	6,762	(513,552)	1.68%	(733)	(514,285)
June 16	30	-	-	(514,285)	1.68%	(710)	(514,995)
July 16	31	-	-	(514,995)	1.68%	(735)	(515,729)
August 16	31	-	-	(515,729)	1.68%	(736)	(516,465)
September 16	30	-	-	(516,465)	1.68%	(713)	(517,179)
Subtotal		(235,454)	(154,414)			(5,212)	
<b>LPT CBM Class</b>							
Beginning Balance							(30,491)
October 15	31	(550)	2,424	(28,617)	1.68%	(41)	(28,658)
November 15	30	(340)	2,280	(26,718)	1.68%	(37)	(26,755)
December 15	31	(66)	2,440	(24,381)	1.68%	(35)	(24,416)
January 16	31	(3,487)	2,562	(25,341)	1.68%	(36)	(25,377)
February 16	29	5,255	2,523	(17,599)	1.68%	(23)	(17,622)
March 16	31	31,662	2,498	16,537	1.68%	-	16,537
April 16	30	21,070	2,383	39,990	1.68%	-	39,990
May 16	31	30,898	2,378	73,266	1.68%	-	73,266
June 16	30	-	-	73,266	1.68%	-	73,266
July 16	31	-	-	73,266	1.68%	-	73,266
August 16	31	-	-	73,266	1.68%	-	73,266
September 16	30	-	-	73,266	1.68%	-	73,266
Subtotal		84,442	19,487			(172)	

(Over)/Under Recovery derived on monthly worksheets

POWDER RIVER ENERGY CORPORATION  
CALCULATION OF COPA OVER/UNDER RECOVERY  
FOR THE MONTH OF: OCTOBER 2015

			<u>Amount</u>
<b><u>Remainder of System</u></b>			
1	Actual Cost of Power (Schedule "Actual System Power Cost")		11,305,277
2	Less: LPT Power Cost (L11)		5,675,216
3	Less: LPT CBM Power Cost (L19)		407,264
4	Remainder System Power Cost		5,222,797
5	Base Power Cost In Rates \$/kWh Sold (Rate in Effect for Period)		0.055330
6	kWh Sold for Period Excluding LPT and LPT-CBM kWh Sold		97,094,186
7	Base Power Cost in Rates \$		5,372,221
8	Recoverable Power Cost (L4 - L7)		(149,425)
9	Actual COPA Revenue Collected for Period		(63,650)
10	(Over)/Under Recovery (L8 - L9)		(85,774)
<b><u>Large Power Transmission - LPT</u></b>			
11	LPT Power Cost (Schedule "LPT Actual Power Cost")		5,675,216
12	LPT Base Power Cost In Rates: (Rate in Effect for Period)		
13	Base Demand Charge	200,353	13.33
14	Base Energy Charge	99,998,759	0.027410
15	Total LPT Base Power Cost in Rate		5,411,671
16	LPT Recoverable Power Cost (L11 - L15)		263,545
17	Actual LPT COPA Revenue Collected for Period		158,519
18	(Over)/Under Recovery (L16 - L17)		105,026
<b><u>Large Power Transmission Coal Bed Methane - LPT-CBM</u></b>			
19	LPT-CBM Power Cost (Schedule "LPT-CBM Actual Power Cost")		407,264
20	LPT-CBM Base Power Cost In Rates: (Rate in Effect for Period)		
21	Base Demand Charge	10,694	16.99
22	Base Energy Charge	8,079,338	0.027720
23	Total LPT Base Power Cost in Rate		405,657
24	LPT-CBM Recoverable Power Cost (L19 - L23)		1,607
25	Actual LPT-CBM COPA Revenue Collected for Period		2,157
26	(Over)/Under Recovery (L24 - L25)		(550)

POWDER RIVER ENERGY CORPORATION

CALCULATION OF COPA OVER/UNDER RECOVERY  
FOR THE MONTH OF: NOVEMBER 2015

			<u>Amount</u>
<b><u>Remainder of System</u></b>			
1	Actual Cost of Power (Schedule "Actual System Power Cost")		12,200,539
2	Less: LPT Power Cost (L11)		5,918,632
3	Less: LPT CBM Power Cost (L19)		378,793
4	Remainder System Power Cost		5,903,115
5	Base Power Cost In Rates \$/kWh Sold (Rate in Effect for Period)		0.055330
6	kWh Sold for Period Excluding LPT and LPT-CBM kWh Sold		108,657,358
7	Base Power Cost in Rates \$		6,012,012
8	Recoverable Power Cost (L4 - L7)		(108,897)
9	Actual COPA Revenue Collected for Period		(71,128)
10	(Over)/Under Recovery (L8 - L9)		(37,769)
<b><u>Large Power Transmission - LPT</u></b>			
11	LPT Power Cost (Schedule "LPT Actual Power Cost")		5,918,632
12	LPT Base Power Cost In Rates: (Rate in Effect for Period)		
13	Base Demand Charge	208,016	13.33
14	Base Energy Charge	102,332,284	0.027410
15	Total LPT Base Power Cost in Rate		5,577,781
16	LPT Recoverable Power Cost (L11 - L15)		340,851
17	Actual LPT COPA Revenue Collected for Period		162,225
18	(Over)/Under Recovery (L16 - L17)		178,626
<b><u>Large Power Transmission Coal Bed Methane - LPT-CBM</u></b>			
19	LPT-CBM Power Cost (Schedule "LPT-CBM Actual Power Cost")		378,793
20	LPT-CBM Base Power Cost In Rates: (Rate in Effect for Period)		
21	Base Demand Charge	9,796	16.99
22	Base Energy Charge	7,599,876	0.027720
23	Total LPT Base Power Cost in Rate		377,104
24	LPT-CBM Recoverable Power Cost (L19 - L23)		1,689
25	Actual LPT-CBM COPA Revenue Collected for Period		2,029
26	(Over)/Under Recovery (L24 - L25)		(340)

POWDER RIVER ENERGY CORPORATION

CALCULATION OF COPA OVER/UNDER RECOVERY  
FOR THE MONTH OF: DECEMBER 2015

			<u>Amount</u>
<b><u>Remainder of System</u></b>			
1 Actual Cost of Power (Schedule "Actual System Power Cost")			12,468,989
2 Less: LPT Power Cost (L11)			5,781,879
3 Less: LPT CBM Power Cost (L19)			407,443
4 Remainder System Power Cost			6,279,667
5 Base Power Cost In Rates \$/kWh Sold (Rate in Effect for Period)			0.055330
6 kWh Sold for Period Excluding LPT and LPT-CBM kWh Sold			115,597,649
7 Base Power Cost in Rates \$			6,396,018
8 Recoverable Power Cost (L4 - L7)			(116,351)
9 Actual COPA Revenue Collected for Period			246,597
10 (Over)/Under Recovery (L8 - L9)			(362,948)
<b><u>Large Power Transmission - LPT</u></b>			
11 LPT Power Cost (Schedule "LPT Actual Power Cost")			5,781,879
12 LPT Base Power Cost In Rates: (Rate in Effect for Period)			
13 Base Demand Charge	211,357	13.33	2,817,389
14 Base Energy Charge	104,805,181	0.027410	2,872,710
15 Total LPT Base Power Cost in Rate			5,690,099
16 LPT Recoverable Power Cost (L11 - L15)			91,780
17 Actual LPT COPA Revenue Collected for Period			166,138
18 (Over)/Under Recovery (L16 - L17)			(74,358)
<b><u>Large Power Transmission Coal Bed Methane - LPT-CBM</u></b>			
19 LPT-CBM Power Cost (Schedule "LPT-CBM Actual Power Cost")			407,443
20 LPT-CBM Base Power Cost In Rates: (Rate in Effect for Period)			
21 Base Demand Charge	10,585	16.99	179,847
22 Base Energy Charge	8,134,604	0.027720	225,491
23 Total LPT Base Power Cost in Rate			405,338
24 LPT-CBM Recoverable Power Cost (L19 - L23)			2,105
25 Actual LPT-CBM COPA Revenue Collected for Period			2,172
26 (Over)/Under Recovery (L24 - L25)			(66)

POWDER RIVER ENERGY CORPORATION  
CALCULATION OF COPA OVER/UNDER RECOVERY  
FOR THE MONTH OF: JANUARY 2016

			<u>Amount</u>
<b><u>Remainder of System</u></b>			
1	Actual Cost of Power (Schedule "Actual System Power Cost")		12,929,542
2	Less: LPT Power Cost (L11)		5,936,755
3	Less: LPT CBM Power Cost (L19)		534,629
4	Remainder System Power Cost		6,458,158
5	Base Power Cost In Rates \$/kWh Sold (Rate in Effect for Period)		0.055330
6	kWh Sold for Period Excluding LPT and LPT-CBM kWh Sold		111,751,567
7	Base Power Cost in Rates \$		6,183,214
8	Recoverable Power Cost (L4 - L7)		274,944
9	Actual COPA Revenue Collected for Period		368,531
10	(Over)/Under Recovery (L8 - L9)		(93,587)
<b><u>Large Power Transmission - LPT</u></b>			
11	LPT Power Cost (Schedule "LPT Actual Power Cost")		5,936,755
12	LPT Base Power Cost In Rates: (Rate in Effect for Period)		
13	Base Demand Charge	203,556	13.33
14	Base Energy Charge	99,178,636	0.027410
15	Total LPT Base Power Cost in Rate		5,431,888
16	LPT Recoverable Power Cost (L11 - L15)		504,867
17	Actual LPT COPA Revenue Collected for Period		573,372
18	(Over)/Under Recovery (L16 - L17)		(68,505)
<b><u>Large Power Transmission Coal Bed Methane - LPT-CBM</u></b>			
19	LPT-CBM Power Cost (Schedule "LPT-CBM Actual Power Cost")		534,629
20	LPT-CBM Base Power Cost In Rates: (Rate in Effect for Period)		
21	Base Demand Charge	13,210	16.99
22	Base Energy Charge	9,833,033	0.027720
23	Total LPT Base Power Cost in Rate		497,013
24	LPT-CBM Recoverable Power Cost (L19 - L23)		37,616
25	Actual LPT-CBM COPA Revenue Collected for Period		41,103
26	(Over)/Under Recovery (L24 - L25)		(3,487)

**POWDER RIVER ENERGY CORPORATION**  
**CALCULATION OF COPA OVER/UNDER RECOVERY**  
**FOR THE MONTH OF: FEBRUARY 2016**

	<u>Amount</u>
<b><u>Remainder of System</u></b>	
1 Actual Cost of Power (Schedule "Actual System Power Cost")	12,114,173
2 Less: LPT Power Cost (L11)	5,498,887
3 Less: LPT CBM Power Cost (L19)	543,583
4 Remainder System Power Cost	6,071,703
5 Base Power Cost In Rates \$/kWh Sold (Rate in Effect for Period)	0.055330
6 kWh Sold for Period Excluding LPT and LPT-CBM kWh Sold	99,616,990
7 Base Power Cost in Rates \$	5,511,808
8 Recoverable Power Cost (L4 - L7)	559,895
9 Actual COPA Revenue Collected for Period	319,167
10 (Over)/Under Recovery (L8 - L9)	240,728
<b><u>Large Power Transmission - LPT</u></b>	
11 LPT Power Cost (Schedule "LPT Actual Power Cost")	5,498,887
12 LPT Base Power Cost In Rates: (Rate in Effect for Period)	
13 Base Demand Charge	196,078      13.33
14 Base Energy Charge	87,127,260      0.027410
15 Total LPT Base Power Cost in Rate	5,001,878
16 LPT Recoverable Power Cost (L11 - L15)	497,009
17 Actual LPT COPA Revenue Collected for Period	503,700
18 (Over)/Under Recovery (L16 - L17)	(6,691)
<b><u>Large Power Transmission Coal Bed Methane - LPT-CBM</u></b>	
19 LPT-CBM Power Cost (Schedule "LPT-CBM Actual Power Cost")	543,583
20 LPT-CBM Base Power Cost In Rates: (Rate in Effect for Period)	
21 Base Demand Charge	13,667      16.99
22 Base Energy Charge	9,583,000      0.027720
23 Total LPT Base Power Cost in Rate	497,846
24 LPT-CBM Recoverable Power Cost (L19 - L23)	45,736
25 Actual LPT-CBM COPA Revenue Collected for Period	40,482
26 (Over)/Under Recovery (L24 - L25)	5,255

POWDER RIVER ENERGY CORPORATION  
CALCULATION OF COPA OVER/UNDER RECOVERY  
FOR THE MONTH OF: MARCH 2016

			<u>Amount</u>
<b><u>Remainder of System</u></b>			
1	Actual Cost of Power (Schedule "Actual System Power Cost")		11,425,271
2	Less: LPT Power Cost (L11)		5,058,825
3	Less: LPT CBM Power Cost (L19)		581,403
4	Remainder System Power Cost		5,785,043
5	Base Power Cost In Rates \$/kWh Sold (Rate in Effect for Period)		0.055330
6	kWh Sold for Period Excluding LPT and LPT-CBM kWh Sold		100,345,217
7	Base Power Cost in Rates \$		5,552,101
8	Recoverable Power Cost (L4 - L7)		232,942
9	Actual COPA Revenue Collected for Period		322,431
10	(Over)/Under Recovery (L8 - L9)		(89,488)
<b><u>Large Power Transmission - LPT</u></b>			
11	LPT Power Cost (Schedule "LPT Actual Power Cost")		5,058,825
12	LPT Base Power Cost In Rates: (Rate in Effect for Period)		
13	Base Demand Charge	183,655	13.33
14	Base Energy Charge	82,471,584	0.027410
15	Total LPT Base Power Cost in Rate		4,708,667
16	LPT Recoverable Power Cost (L11 - L15)		350,157
17	Actual LPT COPA Revenue Collected for Period		476,855
18	(Over)/Under Recovery (L16 - L17)		(126,698)
<b><u>Large Power Transmission Coal Bed Methane - LPT-CBM</u></b>			
19	LPT-CBM Power Cost (Schedule "LPT-CBM Actual Power Cost")		581,403
20	LPT-CBM Base Power Cost In Rates: (Rate in Effect for Period)		
21	Base Demand Charge	14,523	16.99
22	Base Energy Charge	9,485,000	0.027720
23	Total LPT Base Power Cost in Rate		509,673
24	LPT-CBM Recoverable Power Cost (L19 - L23)		71,730
25	Actual LPT-CBM COPA Revenue Collected for Period		40,068
26	(Over)/Under Recovery (L24 - L25)		31,662

POWDER RIVER ENERGY CORPORATION

CALCULATION OF COPA OVER/UNDER RECOVERY  
FOR THE MONTH OF: APRIL 2016

			<u>Amount</u>
<b><u>Remainder of System</u></b>			
1	Actual Cost of Power (Schedule "Actual System Power Cost")		10,365,100
2	Less: LPT Power Cost (L11)		4,505,908
3	Less: LPT CBM Power Cost (L19)		549,002
4	Remainder System Power Cost		5,310,190
5	Base Power Cost In Rates \$/kWh Sold (Rate in Effect for Period)		0.055330
6	kWh Sold for Period Excluding LPT and LPT-CBM kWh Sold		92,913,815
7	Base Power Cost in Rates \$		5,140,921
8	Recoverable Power Cost (L4 - L7)		169,269
9	Actual COPA Revenue Collected for Period		298,455
10	(Over)/Under Recovery (L8 - L9)		(129,186)
<b><u>Large Power Transmission - LPT</u></b>			
11	LPT Power Cost (Schedule "LPT Actual Power Cost")		4,505,908
12	LPT Base Power Cost In Rates: (Rate in Effect for Period)		
13	Base Demand Charge	168,057	13.33
14	Base Energy Charge	69,652,266	0.027410
15	Total LPT Base Power Cost in Rate		4,149,368
16	LPT Recoverable Power Cost (L11 - L15)		356,539
17	Actual LPT COPA Revenue Collected for Period		402,715
18	(Over)/Under Recovery (L16 - L17)		(46,175)
<b><u>Large Power Transmission Coal Bed Methane - LPT-CBM</u></b>			
19	LPT-CBM Power Cost (Schedule "LPT-CBM Actual Power Cost")		549,002
20	LPT-CBM Base Power Cost In Rates: (Rate in Effect for Period)		
21	Base Demand Charge	14,056	16.99
22	Base Energy Charge	9,051,000	0.027720
23	Total LPT Base Power Cost in Rate		489,698
24	LPT-CBM Recoverable Power Cost (L19 - L23)		59,304
25	Actual LPT-CBM COPA Revenue Collected for Period		38,234
26	(Over)/Under Recovery (L24 - L25)		21,070



**POWDER RIVER ENERGY CORPORATION**  
**CALCULATION OF COPA OVER/UNDER RECOVERY**  
**FOR THE MONTH OF: MAY 2016**

			<u>Amount</u>
<b><u>Remainder of System</u></b>			
1	Actual Cost of Power (Schedule "Actual System Power Cost")		9,687,822
2	Less: LPT Power Cost (L11)		3,998,298
3	Less: LPT CBM Power Cost (L19)		573,139
4	Remainder System Power Cost		5,116,386
5	Base Power Cost In Rates \$/kWh Sold (Rate in Effect for Period)		0.055330
6	kWh Sold for Period Excluding LPT and LPT-CBM kWh Sold		89,874,130
7	Base Power Cost in Rates \$		4,972,736
8	Recoverable Power Cost (L4 - L7)		143,650
9	Actual COPA Revenue Collected for Period		288,741
10	(Over)/Under Recovery (L8 - L9)		(145,091)
<b><u>Large Power Transmission - LPT</u></b>			
11	LPT Power Cost (Schedule "LPT Actual Power Cost")		3,998,298
12	LPT Base Power Cost In Rates: (Rate in Effect for Period)		
13	Base Demand Charge	156,136	13.33
14	Base Energy Charge	63,684,483	0.027410
15	Total LPT Base Power Cost in Rate		3,826,885
16	LPT Recoverable Power Cost (L11 - L15)		171,413
17	Actual LPT COPA Revenue Collected for Period		368,092
18	(Over)/Under Recovery (L16 - L17)		(196,679)
<b><u>Large Power Transmission Coal Bed Methane - LPT-CBM</u></b>			
19	LPT-CBM Power Cost (Schedule "LPT-CBM Actual Power Cost")		573,139
20	LPT-CBM Base Power Cost In Rates: (Rate in Effect for Period)		
21	Base Demand Charge	14,937	16.99
22	Base Energy Charge	9,030,000	0.027720
23	Total LPT Base Power Cost in Rate		504,095
24	LPT-CBM Recoverable Power Cost (L19 - L23)		69,043
25	Actual LPT-CBM COPA Revenue Collected for Period		38,146
26	(Over)/Under Recovery (L24 - L25)		30,898

**Exhibits M - P are not  
applicable in this filing**

POWDER RIVER ENERGY CORPORATION

ACTUAL PURCHASED POWER  
OCTOBER 2015 - MAY 2016

	<u>October</u>	<u>November</u>	<u>December</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>Total</u>
<u>Black Hills Electric</u>													
Energy - kWh	0	0	995,584	0	0	0	0	0					995,584
Billing	0.00	0.00	56,390.17	0.00	0.00	0.00	0.00	0.00					56,390.17
<u>WAPA</u>													
Metered Demand - kW	10,703	11,439	11,549	11,070	9,685	9,818	9,678	9,646					83,588
Metered Energy - kWh	7,007,272	7,007,276	7,670,684	7,463,371	5,887,767	6,426,791	5,921,853	6,205,782					53,590,796
<u>WAPA Billing Calculation</u>													
Demand Billing	63,589.05	69,019.01	63,536.43	62,593.98	58,961.21	65,883.18	64,463.65	68,482.08					516,528.59
Energy Billing	145,120.60	145,120.69	158,859.87	154,566.41	121,935.65	133,098.84	122,641.58	128,521.75					1,109,865.39
Total	208,709.65	214,139.70	<b>222,396.30</b>	217,160.39	180,896.86	198,982.02	187,105.23	197,003.83					1,626,393.98
<u>BASIN</u>													
Actual Billing kW	312,942	348,712	<b>340,294</b>	326,356	322,832	291,483	276,342	248,458					2,467,419
Billing kW Adjustment													
Heat Rate kW	202	708	<b>0</b>										910
Billing Energy - kWh	201,961,199	210,550,036	<b>223,060,575</b>	217,293,420	193,733,601	188,246,865	166,843,162	157,761,869					1,559,450,727
kWh Adjustment													
Heat Rate kWh	97,707	331,214	<b>0</b>										428,921
<u>BASIN Billing Calculation</u>													
Demand Charge	16.74	16.74	16.74	18.06	18.06	18.06	18.06	18.06					
Energy Charge	0.02751	0.02751	0.02751	0.02955	0.02955	0.02955	0.02955	0.02955					
PCA Demand Credit	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000					
PCA Energy Credit	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000					
Demand Billing	5,238,649.08	5,837,438.88	<b>5,696,521.56</b>	5,893,989.36	5,830,345.92	5,264,182.98	4,990,736.52	4,487,151.48					43,239,015.78
Demand Adj	0.00	0.00	<b>0.00</b>	0.00	0.00	0.00	0.00	0.00					0.00
Fixed Charge 1	4,400.00	4,400.00	<b>4,400.00</b>	4,400.00	4,400.00	4,400.00	4,400.00	4,400.00					35,200.00
Fixed Charge 2													
Energy Billing	5,555,952.58	5,792,231.49	<b>6,136,396.42</b>	6,421,020.56	5,724,827.91	5,562,694.86	4,930,215.44	4,661,863.23					44,785,202.49
PCA Energy	0.00	0.00	<b>0.00</b>	0.00	0.00	0.00	0.00	0.00					0.00
Wheeling Charges													0.00
Heat Rate kW Avoided Cost	(634.12)	(4,896.92)	<b>0.00</b>	0.00	0.00	0.00	0.00	0.00					(5,531.04)
Heat Rate kWh Avoided Cost	(2,687.92)	(9,111.70)	<b>0.00</b>	0.00	0.00	0.00	0.00	0.00					(11,799.62)
Energy Billing Heat Rate	3,322.04	11,261.00	<b>0.00</b>	16,438.01	12,527.47	0.00	0.00	0.00					43,548.52
Renewable Energy Credit				0.00	0.00	0.00	0.00	0.00					0.00
Other				1,708.47	36,049.36	71,911.65	(29,834.44)	37,550.47					117,385.51
Data Incentive Credit	(7,044.39)	(7,311.36)	(15,269.38)	(8,104.84)	(22,422.23)	(9,982.85)	(19,376.17)	(8,596.95)					(98,108.17)
Total	10,791,957.27	11,624,011.39	11,822,048.60	12,329,451.56	11,585,728.43	10,893,206.64	9,876,141.35	9,182,368.23					88,104,913.48

POWDER RIVER ENERGY CORPORATION

ACTUAL PURCHASED POWER  
OCTOBER 2015 - MAY 2016

	<u>October</u>	<u>November</u>	<u>December</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>Total</u>
<b><u>Basin - Large Compression</u></b>													
NCP kW	2,023	2,095	2,216										6,334
CP kW	2,023	2,095	2,216										6,334
kWh	1,448,933	1,390,809	1,607,539										4,447,281
Billed NCP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00					0.00
Billed CP	33,865.02	35,070.30	37,095.84	0.00	0.00	0.00	0.00	0.00					106,031.16
Billed Energy	61,594.14	59,123.29	68,336.48	0.00	0.00	0.00	0.00	0.00					189,053.92
Adjustment													
Total Billing	95,459.16	94,193.59	105,432.32	0.00	0.00	0.00	0.00	0.00					295,085.08
<b><u>Western Division</u></b>													
Metered kW	8,224	10,390	<b>9,452</b>	9,615	9,257	8,528	7,552	7,717					70,735
Metered kWh	5,486,057	6,193,219	<b>6,898,713</b>	6,445,431	5,554,869	5,514,834	5,095,920	5,207,304					46,396,347
Demand Billing	137,669.76	173,928.60	158,226.48	173,646.90	167,181.42	154,015.68	136,389.12	139,369.02					1,240,426.98
Energy Billing	166,940.71	188,459.65	209,927.84	209,283.14	180,366.60	179,066.66	165,464.52	169,081.16					1,468,590.29
Energy Adjustment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00					0.00
Total	304,610.47	362,388.25	<b>368,154.32</b>	382,930.04	347,548.02	333,082.34	301,853.64	308,450.18					2,709,017.27
Subtotal Basin/Western Div	11,192,026.90	12,080,593.24	12,295,635.24	12,712,381.61	11,933,276.45	11,226,288.98	10,177,994.99	9,490,818.41					91,109,015.82
<b><u>Total System</u></b>													
Total Billing kW	5,819,949	6,565,855	7,262,224	347,041	341,774	309,829	293,572	265,821	0	0	0	0	21,206,065
Billing kW Excl LPC CBM	5,817,926	6,563,760	7,260,008	347,041	341,774	309,829	293,572	265,821	0	0	0	0	21,199,731
Total kWh	215,903,461	225,141,340	240,233,095	231,202,222	205,176,237	200,188,490	177,860,935	169,174,955	0	0	0	0	1,664,880,735
kWh Excl LPC CBM	214,454,528	223,750,531	238,625,556	231,202,222	205,176,237	200,188,490	177,860,935	169,174,955	0	0	0	0	1,660,433,454
Total Billing	11,400,736.56	12,294,732.93	12,574,421.71	12,929,542.00	12,114,173.31	11,425,271.00	10,365,100.22	9,687,822.24	0.00	0.00	0.00	0.00	92,791,799.97
Total Billing Excl LPC CBM	11,305,277.40	12,200,539.34	12,468,989.38	12,929,542.00	12,114,173.31	11,425,271.00	10,365,100.22	9,687,822.24	0.00	0.00	0.00	0.00	92,496,714.89

Exhibit R-1  
LPT Actual Power Cost

POWDER RIVER ENERGY CORPORATION

ACTUAL POWER COST FOR LARGE POWER TRANSMISSION - (COAL MINES)  
OCTOBER 2015 - MAY 2016

	<u>October</u>	<u>November</u>	<u>December</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>Total</u>
<b><u>Billing Units @ Basin Level</u></b>													
Total Basin Billing kW	312,942	348,712	340,294	326,356	322,832	291,483	276,342	248,458					2,467,419
LPT Billing kW	174,748	185,465	173,454	166,484	161,459	143,549	136,548	116,427					1,258,133
LPT kW as % of Total	55.84%	53.19%	50.97%	51.01%	50.01%	49.25%	49.41%	46.86%					50.99%
kWh Purchased	99,998,759	102,332,284	104,805,181	99,178,636	87,127,260	82,471,584	69,652,266	63,684,483					709,250,453
<b><u>Effective Basin Rate</u></b>													
Demand Charge	16.74	16.74	16.74	18.06	18.06	18.06	18.06	18.06					
Energy Charge	0.027510	0.027510	0.027510	0.029550	0.029550	0.029550	0.029550	0.029550					
Fixed Charges per CP kW	0.014060	0.012618	0.012930	0.013482	0.013629	0.015095	0.015922	0.017709					
Substation Lease per CP kW	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000					
Wheeling Charge per CP kW	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000					
Adjustments/Other Credits	-0.000035	-0.000035	-0.000068	-0.000029	0.000070	0.000329	-0.000295	0.000184					
Demand Billing	2,925,282	3,104,684	2,903,620	3,006,701	2,915,948	2,592,491	2,466,053	2,102,672					22,017,450
Energy Billing	2,750,966	2,815,161	2,883,191	2,930,729	2,574,611	2,437,035	2,058,224	1,881,876					20,331,793
Fixed Charges Billing	2,457	2,340	2,243	2,245	2,201	2,167	2,174	2,062					17,888
Substation Lease	0	0	0	0	0	0	0	0					0
Wheeling Charges	0	0	0	0	0	0	0	0					0
Adjustments/Other Credits	(3,488)	(3,553)	(7,174)	(2,919)	6,128	27,131	(20,544)	11,688					7,268
Total LPT Power Cost	5,675,216	5,918,632	5,781,879	5,936,755	5,498,887	5,058,825	4,505,908	3,998,298					42,374,400

Exhibit R-2  
LPT Actual Power Cost

POWDER RIVER ENERGY CORPORATION

ACTUAL POWER COST FOR LARGE POWER TRANSMISSION - COAL BED METHANE & GENERAL  
OCTOBER 2015 - MAY 2016

	<u>October</u>	<u>November</u>	<u>December</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>Total</u>
<b><u>Billing Units @ Basin Level</u></b>													
Total Basin Billing kW	312,942	348,712	340,294	326,356	322,832	291,483	276,342	248,458					2,467,419
LPT-CBM Billing kW	10,857.26	9,945.26	10,746.64	13,411.37	13,875.33	14,744.37	14,269.64	15,164.71					103,015
LPT-CBM kW as % of Total	3.47%	2.85%	3.16%	4.11%	4.30%	5.06%	5.16%	6.10%					4.17%
kWh Purchased	8,202,374	7,722,717	8,286,908	9,899,492	9,885,279	10,539,086	9,949,239	10,055,838					74,540,932
	103.49%	106.37%	105.63%	101.12%	97.59%	97.92%	95.51%	90.84%					99.12%
<b><u>Effective Basin Rate</u></b>													
Demand Charge	16.74	16.74	16.74	18.06	18.06	18.06	18.06	18.06					
Energy Charge	0.027510	0.027510	0.027510	0.029550	0.029550	0.029550	0.029550	0.029550					
Fixed Charges per CP kW	0.014060	0.012618	0.012930	0.013482	0.013629	0.015095	0.015922	0.017709					
Substation Lease per CP kW	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000					
Wheeling Charge per CP kW	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000					
Adjustments/Other Credits	-0.000035	-0.000035	-0.000068	-0.000029	0.000070	0.000329	-0.000295	0.000184					
Demand Billing	181,751	166,484	179,899	242,209	250,588	266,283	257,710	273,875					1,818,798
Energy Billing	225,647	212,452	227,973	292,530	292,110	311,430	294,000	297,150					2,153,292
Fixed Charges Billing	153	125	139	181	189	223	227	269					1,505
Substation Lease	0	0	0	0	0	0	0	0					0
Wheeling Charges	0	0	0	0	0	0	0	0					0
Adjustments/Other Credits	(286)	(268)	(567)	(291)	695	3,467	(2,935)	1,846					1,660
													0
Total LPT-CBM & Gen Power C	407,264	378,793	407,443	534,629	543,583	581,403	549,002	573,139					3,975,256

POWDER RIVER ENERGY CORPORATION

SUMMARY OF MONTHLY KWH AND COPA REVENUE  
FOR THE PERIOD OCTOBER 2015 THROUGH MAY2016

	<u>Actual kWh Sold</u>	<u>Power Cost Component Of COPA Rev</u>	<u>Prior Year True-Up Component Of COPA Rev</u>	<u>Total COPA Revenue</u>
<b><u>Remainder Classes</u></b>				
October 15	97,094,186	(63,650)	(40,682)	(104,332)
November 15	108,657,358	(71,128)	(45,461)	(116,589)
December 15	115,597,649	246,597	(2,783)	243,814
January 16	111,751,567	368,531	14,357	382,888
February 16	99,616,990	319,167	12,434	331,600
March 16	100,345,217	322,431	12,561	334,992
April 16	92,913,815	298,455	11,627	310,082
May 16	89,874,130	288,741	11,248	299,989
June 16	0	0	0	0
July 16	0	0	0	0
August 16	0	0	0	0
September 16	0	0	0	0
Total	815,850,912	1,709,143	(26,699)	1,682,444
<b><u>LPT Class</u></b>				
October 15	99,998,759	158,519	64,178	222,697
November 15	102,332,284	162,225	65,679	227,904
December 15	104,805,181	166,138	67,263	233,401
January 16	99,178,636	573,372	(10,533)	562,839
February 16	87,127,260	503,700	(9,253)	494,447
March 16	82,471,584	476,855	(8,760)	468,095
April 16	69,652,266	402,715	(7,398)	395,317
May 16	63,684,483	368,092	(6,762)	361,330
June 16				0
July 16				0
August 16				0
September 16				0
Total	709,250,453	2,811,616	154,414	2,966,030

POWDER RIVER ENERGY CORPORATION

SUMMARY OF MONTHLY KWH AND COPA REVENUE  
FOR THE PERIOD OCTOBER 2015 THROUGH MAY2016

	<u>Actual kWh Sold</u>	<u>Power Cost Component Of COPA Rev</u>	<u>Prior Year True-Up Component Of COPA Rev</u>	<u>Total COPA Revenue</u>
<b><u>LPT CBM Class &amp; Other</u></b>				
October 15	8,079,338	2,157	(2,424)	(267)
November 15	7,599,876	2,029	(2,280)	(251)
December 15	8,134,604	2,172	(2,440)	(268)
January 16	9,833,033	41,103	(2,562)	38,541
February 16	9,583,000	40,482	(2,523)	37,958
March 16	9,485,000	40,068	(2,498)	37,570
April 16	9,051,000	38,234	(2,383)	35,851
May 16	9,030,000	38,146	(2,378)	35,768
June 16				0
July 16				0
August 16				0
September 16				0
Total	70,795,851	204,389	(19,487)	184,902
<b><u>LPC - CBM</u></b>				
October 15	1,436,245			
November 15	1,448,933			
December 15	1,390,809			
January 16	1,504,506			
February 16				
March 16				
April 16				
May 16				
June 16				
July 16				
August 16				
September 16				
Total	5,780,493	0	0	0
<b><u>Total System</u></b>				
October 15	206,608,528	97,025	21,073	118,099
November 15	220,038,451	93,126	17,938	111,064
December 15	229,928,243	414,907	62,040	476,947
January 16	222,267,742	983,006	1,261	984,267
February 16	196,327,250	863,349	657	864,006
March 16	192,301,801	839,354	1,303	840,657
April 16	171,617,081	739,404	1,845	741,249
May 16	162,588,613	694,979	2,108	697,087
June 16				0
July 16				0
August 16				0
September 16				0
Total	1,601,677,709	4,725,149	108,227	4,833,376



## STATEMENT OF OPERATIONS

	A	B	C
	Adjusted 2012 Docket # 10014-145-CR-13	Actual 2015	2016 Budget Adjusted for 2016 COPA
<b><u>Operating Revenues</u></b>			
Base Revenue	\$ 193,259,194	\$ 179,341,664	\$ 150,037,099
COPA - Current Year Power Cost Recovery	-	1,380,992	15,048,009
COPA - Prior Year True-up	-	233,659	(280,978)
Deferred Revenue	-	(2,050,000)	-
Other Revenue	1,904,908	1,985,668	2,732,589
Total Operating Revenue	\$ 195,164,102	\$ 180,891,982	\$ 167,536,719
<b><u>Operating Expenses</u></b>			
Purchased Power	150,146,772	136,811,703	133,455,621
Transmission Expense	1,245,944	1,586,600	1,728,928
Distribution Expense - Operation	10,014,221	8,025,211	6,832,517
Distribution Expense - Maintenance	3,741,736	4,968,385	4,368,988
Customer Accounts Expense	2,859,351	4,234,443	2,992,421
Customer Service & Sales	84,796	89,600	149,374
Administrative and General Expense	6,221,278	6,998,971	7,079,325
Depreciation and Amortization Expense	13,572,289	11,104,582	10,803,128
Regulatory Debit - COPA Current True-Up	-	(233,659)	(280,978)
Regulatory Credit - COPA Prior Year True-Up	-	-	-
Tax Expense - Property & Gross Receipts	495,609	450,312	501,883
Tax Expense - Other	-	61,401	63,298
Total Operating Expense	\$ 188,381,996	\$ 174,097,549	\$ 167,694,505
Return	\$ 6,782,106	\$ 6,794,433	\$ (157,786)
<b><u>Interest &amp; Other Deductions</u></b>			
Interest on Long-Term Debt	5,909,403	6,221,198	6,581,270
Interest Expense - Other	108,778	43,245	108,274
Other Deductions	113,890	215,712	185,748
Total Interest & Other Deductions	\$ 6,132,071	\$ 6,480,155	\$ 6,875,293
Operating Margins	\$ 650,035	\$ 314,278	\$ (7,033,079)
<b><u>Non-Operating Margin</u></b>			
Interest Income	2,140,098	2,230,233	1,938,585
Other Margins	28,040	372,056	3,181
G&T Capital Credits	6,316,539	5,818,637	6,350,000
Other Capital Credits	88,028	286,097	155,500
Total Non-Operating Margins	\$ 8,572,705	\$ 8,707,023	\$ 8,447,266
Net Margins	\$ 9,222,740	\$ 9,021,300	\$ 1,414,187
TIER	2.56	2.45	1.21
DSC	2.57	1.41	0.75
OPERATING TIER	1.11	1.05	(0.07)
RUS OPERATING TIER	1.15	1.10	(0.07)
RUS OPERATING DSC	2.57	1.44	0.75
RETURN ON RATE BASE	3.28%	3.17%	-0.08%
RATE BASE CALCULATED *	206,687,725	214,595,459	210,256,515

\* The Rate Base calculation in column A varies slightly from the calculation in the actual rate filing due to an adjustment for property tax. In the rate filing, property tax was removed from the functional accounts and reported on Line 13 - Tax Expense Property & Gross Receipts. In the Rate Base calculation above, the property tax was moved back to the functional accounts to which it was actually charged. This adjustment allows for better comparison with 2013 and the 2015 budget year.