

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF WYOMING

IN THE MATTER OF THE APPLICATION OF
POWDER RIVER ENERGY CORPORATION
SUNDANCE, WYOMING, TO REVISE ITS
SMALL POWER PRODUCTION TARIFF

§
§
§
§

DOCKET No. 10014-167-CT-15

APPLICATION

COMES NOW, Powder River Energy Corporation, the Applicant named herein and sometimes herein called the "COOPERATIVE," and hereby respectfully requests an order from the Public Service Commission of the State of Wyoming, sometimes herein called the "COMMISSION," granting the applicant authority to revise its Small Power Production (SPP) rate tariff, as set forth in the exhibits attached hereto and made a part hereof by this reference.

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

1. The Applicant is a non-profit cooperative electric utility organized, existing under and by virtue of the laws of the State of Wyoming. The Cooperative, pursuant to the laws of the State of Wyoming, is qualified to do business as a corporation within the State of Wyoming.
2. The Cooperative is duly authorized to generate, manufacture, purchase, acquire, and transmit electric energy, sell supplies and dispose of electric energy in its certificated territory.
3. Communications 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 Basin Electric Power Cooperative (“Basin”), Bismarck, North Dakota, and therefore purchases all of its power requirements through agreements and contracts with Basin.
6. In this application, the Cooperative is requesting authority to revise its existing rate tariff, the Small Power Production (SPP) rate tariff.
7. The SPP rate is an optional rate that applies to residential customers who install facilities for the purpose of generating electric power. Under the rate schedule, the Cooperative pays the customer for all kWh generated per month at its avoided cost as required by the Public Utilities Regulatory Policies Act of 1978.
8. The Cooperative’s avoided cost is equal to Basin’s published avoided cost for its Western System. Basin’s published avoided cost of delivery to its Class A members located in the Western System for 2016 is \$0.0135 per kWh (Exhibit A).
9. The Cooperative’s current SPP rate on its Tariff Rate Rider, sheet number 1C, is \$0.0130 per kWh. The Cooperative therefore requests the authority to increase the rate available under its Small Power Production rate from \$0.0130 to \$0.0135 per kWh to reflect Basin’s published avoided cost for 2016.
10. The Cooperative currently has 28 members utilizing the Small Power Production rate. These members are both residential and commercial.
11. The attached Exhibit B shows the proposed revision to the Applicant’s Small Power Production rate on its Tariff Rate Rider.

WHEREFORE, Powder River Energy Corporation respectfully requests this Commission make its Order authorizing the Cooperative to revise its Small Power Production (SPP) Tariff as set out in this filing. The Applicant further respectfully requests that the new rate tariffs become effective for billings on or after January 10, 2016.

Dated at Sundance, Wyoming, this 23rd day of November 2015.

POWDER RIVER ENERGY CORPORATION

A handwritten signature in blue ink that reads "Michael E. Easley". The signature is written in a cursive style with a large, sweeping flourish at the end.

Michael E. Easley
Chief Executive Officer

**BASIN ELECTRIC'S POLICY FOR ADMINISTERING THE
PUBLIC UTILITY REGULATORY POLICIES ACT OF 1978
(PURPA)**

The Public Utility Regulatory Policies Act (PURPA) requires that electric utilities must purchase power produced from Qualifying Facilities (QF's) at their avoided cost. Avoided cost is the incremental cost an electric utility would pay for energy or capacity or both from its own generation or from a third party or both.

Basin Electric, its generation and transmission (G&T) members, and its distribution cooperative members, together represent one cooperative system owned and controlled by the consumers to provide them with electrical power at cost. The avoided costs that occur when this three tier cooperative system purchases QF generation is equal to Basin Electric's reduced power production costs and the reduced transmission and distribution line losses associated with delivering the generation to load. This concept reflects the criteria described in FERC Order 69.

Basin Electric's avoided cost for 2016 adjusted to its point of delivery to its Class A Members is as follows:

AVOIDED COSTS

	<u>Eastern System</u>	<u>Western System</u>
Capacity \$/kW	0	0
Energy Mills/kWh	23.0	13.5

Basin Electric and its Members' present load forecasts project that Basin Electric has sufficient generating capacity and long-term purchase power contracts in place to meet Member needs in 2016. As a result, no new capacity is required in 2016 and no capacity payments are provided to QF's as the QF generation results in no avoided capacity construction or avoided purchase power capacity expense.

Basin Electric is also planning for resource expansion on both the Eastern system and the Western system. As a result, Basin Electric is willing to discuss the pricing of resource commitments for periods of five (5) years or more on a negotiated basis.

The avoided energy costs reflect the highest cost source of energy which Basin Electric is able to avoid by QF purchases. On the eastern system this represents the Leland Olds Station avoided expenses consisting of fuel, fuel handling, variable scrubber costs, high voltage transmission line losses, and the North Dakota .25 mills/kWh coal conversion tax. On the western system, this represents the Laramie River Station avoided expenses consisting of fuel, fuel handling, variable scrubber costs, and high voltage transmission line losses.

These rates represent the avoided costs of the wholesale power supply component of the cooperative system and are computed at Basin Electric's point of delivery to its Class A Members. They consequently consider the savings in the high voltage transmission line losses, but do not consider that purchasing power from a QF located on a distribution cooperative system normally reduces the transmission losses of the distribution cooperative and the G&T. Since these also represent avoided costs, the Members need to adjust Basin Electric's avoided costs to reflect their own unique circumstances regarding losses and other possible savings.

Basin Electric and its Members have elected to separate QF's into three different categories for purposes of the program administration. These categories, which are defined by the capacity rating of the QF, reflect the complexity and associated administrative expense the purchase has on the three tier cooperative system. The avoided costs and payments to the QF are the same for all categories. The administration costs are different.

**QF generation with a
capacity rating less than 50 kW**

The Class A Member may contract to purchase the QF generation.

**QF generation with a
capacity rating of 50 kW or
greater but less than 150 kW**

The Class A Member may contract to purchase the QF generation.

Basin Electric shall reimburse the Class A Member for its QF generation purchase. Basin Electric payment to the Class A Member shall be based on the committed accredited amount and the metered energy generation and Basin Electric avoided costs adjusted by the G&Ts and distribution Members to reflect their own transmission losses and other possible savings. Basin Electric shall not base its payment on state mandated rates. Basin Electric shall provide payment to the Class A Member via a credit on its monthly power billing.

The Class A Member shall install energy metering on the QF and provide Basin Electric with the QF generated energy at the end of each billing period. Based on this information, the monthly billing shall be computed as follows:

1. The QF generation at the time of the Member's coincident peak shall be estimated by the Member and Basin Electric based on factors such as the QF monthly energy generation and expected capacity and diversity factors. After a review of the available information, Basin Electric shall be the sole judge of establishing the QF generation at the time of the Member's coincident peak. The Class A Member at its option and expense may install 30 minutes time registration metering in lieu of this calculation. The Member shall in that event be responsible for providing Basin Electric with the QF 30 minute demand at the time of its coincident peak.
2. Basin Electric monthly wholesale power deliveries to the Members shall be increased to reflect that the QF generation represents a Basin Electric point of delivery to the Members. Basin Electric total supplemental energy delivery to the Member shall be determined by adding the QF generated energy to Basin Electric's energy deliveries to the Member. Basin Electric total supplemental demand deliveries to the Members shall be determined by adding the QF peak generation computed in step 3 to Basin Electric's demand deliveries to the Member.
3. The resultant Basin Electric deliveries shall be billed in accordance with the rate schedules contained herein.

**QF generation with a capacity
rating of 150 kW or greater**

The Class A Member may contract to purchase the QF generation.

Basin Electric shall reimburse the Class A Members for its QF generation purchase. Basin Electric payment to the Class A Member shall be based on the committed accredited amount and the metered energy generation and Basin Electric avoided costs adjusted by the G&Ts and distribution Members to reflect their own transmission losses and other possible savings. Basin Electric shall not base its payment on state mandated rates. Basin Electric shall provide payment to the Class A Member via a credit on its monthly power billing.

1. The Class A Member shall be responsible for installing 30 minute time registration demand metering on the QF's. Basin Electric shall pay for the incremental cost of installing the time registration metering. The Class A Member shall be responsible for translating the monthly meter readings and to provide to Basin Electric the QF generation at the time of their coincident peak. Basin Electric shall reimburse the Member for this translation service.

2. Basin Electric's monthly wholesale power deliveries to the Members shall be increased to reflect that the QF generation represents a Basin Electric point of delivery to the Members. Basin Electric total supplemental energy delivery to the Member shall be determined by adding the QF generated energy to Basin Electric energy deliveries to the Member. Basin Electric total supplemental demand deliveries to the Members shall be determined by adding the QF generation at the time of the Member's coincident peak to Basin Electric's demand deliveries to the Member.

The resultant Basin Electric deliveries shall be billed in accordance with the rate schedules contained herein.

THE PUBLIC SERVICE COMMISSION OF WYOMING

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

WY PSC

Tariff No. 7

5th Revised Sheet No. 1C
 Cancels 4th Revised Sheet No. 1C

TARIFF RATE RIDER				
-continued-				
Class	Billing Unit	2014 Base Rate	2016 COPA	2016 Adj. Rate Tariff
Large Power Compression CBM (LPC-CBM)	<u>Distribution Component</u>			
	Basic Charge	\$600.00		\$600.00
	Demand Charge - Trans	\$1.05/NCP kW		\$1.05/NCP kW
	Demand Charge - Primary	\$3.66/NCP kW		\$3.66/NCP kW
	<u>Power Supply Component</u>			
	Demand Charge	Special Contract		Special Contract
	Energy Charge	Special Contract		Special Contract
Idle Line Retention (IS)	<u>Basic Charge-Monthly</u>			
	Residential/Seasonal	\$15.00		\$15.00
	Irrigation	\$15.00		\$15.00
	General Service	\$18.00		\$18.00
	General Service CBM	\$35.00		\$35.00
	Large Power	\$79.00		\$79.00
	Large Power CBM	\$100.00		\$100.00
Green Tag (GT)	One block equivalent to the environmental attributes of 100 kWh of renewable energy	\$0.20		\$0.20
Small Power Production (SPP)	\$/kWh on all kWh generated per month	\$0.0135		\$0.0135

The Idle Service Schedule (IS) is a monthly charge with no energy usage.
 Rate Schedules are subject to monthly minimums as stated on the individual rate schedule sheet.

Date Issued: November 23, 2015

Date Effective: January 10, 2016

By: 

Title: Chief Executive Officer