



221 MAIN STREET
P.O. BOX 930
SUNDANCE, WY 82729-0930
FAX: (307) 283-3527

200 GARNER LAKE ROAD
P.O. BOX 937
GILLETTE, WY 82718-0937
FAX: (307) 682-0733

1095 BRUNDAGE LANE
SHERIDAN, WY 82801-1387
FAX: (307) 674-9018

1-800-442-3630

November 13, 2017

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

Re: Docket No. 10014-185-CT-17
2018 Residential Heat Rate

Dear Mr. Petrie,

Powder River Energy Corporation respectfully submits the enclosed application for rate adjustment to the 2018 Residential Heat Rate effective with usage on or after January 1, 2018.

Enclosed please find one (1) original and seven (7) copies along with check number 254755 in the amount of \$5.00 for the filing fee. These documents have also been filed on the Commission Document Management System as well.

Thank you for your consideration and please let us know if you should have any questions.

Sincerely,

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

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

MEE/sjp

Enclosures

BEFORE THE WYOMING PUBLIC SERVICE COMMISSION

IN THE MATTER OF THE APPLICATION OF)
POWDER RIVER ENERGY CORPORATION,)
SUNDANCE, WYOMING, FOR AUTHORITY TO) DOCKET NO. 10014-185-CT-17
ADJUST ITS RESIDENTIAL HEAT RATE TARIFF)

APPLICATION

Powder River Energy Corporation, the Applicant named herein and sometimes herein called the "Cooperative", hereby respectfully requests an order from the Wyoming Public Service Commission, sometimes herein called the "Commission," granting the Applicant authority to revise its Residential Heat Rate (RHR) 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 member of Members 1st Power Cooperative, Sundance, Wyoming. Members 1st is a Class A member of Basin Electric Power

Cooperative (“BASIN”), Bismarck, North Dakota, and therefore purchases all of its power requirements through agreements and contracts with Basin. Members 1st contract with the Cooperative adopts Basin Electric’s Class A rates to bill the Cooperative.

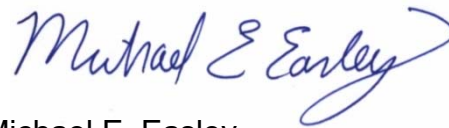
6. The Cooperative is requesting authority to adjust its existing Residential Heat Rate (“RHR”) tariff. The RHR tariff was originally approved by the Commission in Docket No. 10014-91-CT-06. The current RHR tariff was approved in Docket No. 10014-177-CT-17.
7. The RHR is an optional rate for residential customers with permanent electric resistance heat and/or electric heat pump space heating systems. The tariff provides a discounted rate for qualifying loads and is offered in conjunction with the electric heat rate program offered by Basin.
8. The heat credit provided under the Cooperative’s RHR tariff is designed to equal the Cooperative’s total avoided wholesale cost per kWh, based on Basin’s published Electric Heat Rate. Basin has changed its base rates for 2018 and, as a result, the Cooperative should revise its heat credit to reflect its new avoided cost (see attached **Exhibit A**).
9. The heat rate is applied for electric resistant heat usage during the months of October through April. The Cooperative’s current RHR tariff provides a heat credit of \$.04198 per kWh. Beginning with January 2018 usage, the Cooperative’s new heat credit should be \$.03981 per kWh of electric resistant heat usage. **Exhibit B** shows the calculation of the revised heat credit, which is equal to the difference between the avoided demand cost on a per kWh basis and the net increase in the energy charge.
10. The impact of the proposed change in the heat credit offered under the RHR tariff is fairly limited in scope. From October 2016 through April 2017, the Cooperative served 244 services under the RHR tariff. During this seven-month heating period, the total electric resistant heat usage under the RHR tariff was 2,856,178 kWh. The proposed change in the heat credit will result in a revenue increase of \$6,198 based on historical usage (see attached **Exhibit C**).

11. The Cooperative therefore requests the authority to change the heat credit available under its RHR tariff from \$0.04198 per kWh to \$.03981 per kWh. The proposed revision to the RHR tariff is shown in **Exhibit D**.

WHEREFORE Powder River Energy Corporation respectfully requests this Commission make its Order authorizing the Cooperative to revise its Residential Heat Rate tariff as set out in this filing. The Applicant further requests these changes become effective for usage on or after January 1, 2018.

Dated at Sundance, Wyoming, this 13th day of November, 2017.

POWDER RIVER ENERGY CORPORATION



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

2018 Class A Rate Design

Class A Revenue

At their August 2017 meeting, the Basin Electric Board of Directors approved the 2018 Member rates. According to the 2018-2027 Financial Forecast, the revenue requirement from Member sales in 2018 is \$1,552 Million.

Forecasted Loads

The Member purchases for 2018 from Basin Electric are projected from the 2017 Load Forecast. Special Purpose Rate purchases are based on historical values and the member's estimated Special Purpose Rate participation. Based on the 2018 revenue requirement and sales information, the rate components follow:

2075 Contract Members	Demand \$/kW	Energy Mills/kWh
Base Rates	\$19.64	32.42
Fixed CROD	\$21.17	27.93
<hr/>		
2050 Contract Members	Demand \$/kW	Energy Mills/kWh
Base Rates	\$19.97	33.32
Fixed CROD	\$21.53	28.67
<hr/>		
Non-Controlled Electric Heat	—	34.0
Dual Heat	—	34.0
Interruptible for 2075 Contract Members	—	32.42
Interruptible for 2050 Contract Members	—	33.32

The projected 2018 average rate for Basin Electric's Class A Members is 64.10 Mills/kWh.

Detailed monthly information follows for your system. Summary information outlining the sales to each member and resultant member power costs is also included. Rate projections for 2019-2027 have been provided.

POWDER RIVER ENERGY CORPORATION
Calculation of Residential Heat Rate Credit for 2018

<u>Calculation of Heat Rate Credit</u>	<u>2018</u>
Avoided Basin Demand Charge - \$/kW	\$ (19.64)
Load Factor used to determine Avoided Demand	65.00%
Average hours in a month	730
kWh per kW	474.5
Avoided Basin Demand Charge - \$/kWh	\$(0.04139)
Increase in Basin Energy Charge - \$/kWh *	<u>\$ 0.00158</u>
Heat Rate Benefit over Class A Rates - \$/kWh	<u>\$(0.03981)</u>
Heat Rate Benefit over Class A Rates - Mills/kWh	(39.81)

* Calculation of Increase in Basin Energy Charge:

Basin Electric Heat Rate - \$/kWh	\$ 0.03400
Basin Class A Energy Rate - \$/kWh	<u>\$ 0.03242</u>
Increase in Electric Heat Rate over Class A - \$/kWh	\$ 0.00158

POWDER RIVER ENERGY CORPORATION
Calculation of Heat Credit under Proposed Residential Heat Rate Tariff
Based on the Heating Period of October 2016 through April 2017

Total customers served under the RHR tariff	244
Total electric resistant heat kWh usage during period of Oct. 2015 - April 2016	2,856,178

Calculation of heat credit under Current and Proposed RHR tariff:

	<u>Current</u>	<u>Proposed</u>
Electric Resistant Heat Billing Units (kWh)	2,856,178	2,856,178
Residential Heat Rate Credit per kWh	\$ (0.04198)	\$ (0.03981)
Calculated Residential Heat Rate Credit	<u>\$ (119,902)</u>	<u>\$ (113,704)</u>
Proposed Increase in Revenue		\$ (6,198)

Docket 10014-185-CT-17

Exhibit D

Tariff Legislative Version

Pgs. 1 and 6

THE PUBLIC SERVICE COMMISSION OF WYOMING

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

WY PSC

Tariff No.-8 9

1st Revised Original Sheet No. 1
 Cancels Original Sheet No. 1

TARIFF RATE RIDER				
Class	Billing Unit	2017 Approved Base Rate	2017 COPA *	2017 Adj Rate Tariff
Residential (A)	<u>Basic Charge</u> 200 Amps and Under	\$25.50		\$25.50
	Over 200 Amps	\$30.00		\$30.00
	\$/kWh - All kWh	\$0.080875	\$0.006706	\$0.0875810
Residential Seasonal (A)	<u>Basic Charge</u> 200 Amps and Under	\$306.00		\$306.00
	Over 200 Amps	\$360.00		\$360.00
	\$/kWh - All kWh	\$0.080875	\$0.006706	\$0.0875810
Residential Time of Day (TOD)	<u>Basic Charge</u> 200 Amps and Under	\$25.50		\$25.50
	Over 200 Amps	\$30.00		\$30.00
	<u>\$/kWh</u>			
	<u>September-May</u> All kWh - On Peak	\$0.08418	\$0.006706	\$0.0908860
	All kWh - Off Peak	\$0.05980	\$0.006706	\$0.0665060
	<u>June-August</u> \$/kWh - All kWh	\$0.080875	\$0.006706	\$0.0875810
Residential Heat Rate (RHR)	<u>Basic Charge</u> 200 Amps and Under	\$27.50		\$27.50
	Over 200 Amps	\$32.50		\$32.50
	\$/kWh - All kWh	\$0.080875	\$0.006706	\$0.0875810
	<u>October - April</u> Heat Credit per kWh of Electric Resistant Heat	\$(0.041980) \$(0.03981)		\$(0.041980) \$(0.03981)

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

Date Issued: ~~March 30, 2017~~ November 13, 2017

Date Effective: ~~March 1, 2017~~ January 1, 2018

By: 

Title: Chief Executive Officer
 Docket No. 10014-477-185-CT-17

Rate Schedule: Residential Heat Rate (RHR)

APPLICABILITY

Applicable to Residential customers of the Corporation who have permanent electric resistance heat and/or electric heat pump space heating systems. This rate is not available to seasonal loads. This rate is not available to Residential Time-of-Day (TOD) customers.

Customers taking electric service under this rate schedule must have Corporation approved meter installations and any additional equipment required by the Corporation necessary to meter the electric heat installation loads identified above separately from other loads.

AVAILABILITY

Available within the certificated territory of Powder River Energy Corporation.

TYPE OF SERVICE

Single-phase, 60 cycles, at Corporation's standard secondary voltage.

RATE

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

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

Heat Credit: ~~(\$0.041980)~~\$(0.03981) per kWh of electric resistant heat usage during the months of October through April.

MINIMUM BILLING

The minimum monthly billing under this schedule shall be the Basic Charge.

BILLING ADJUSTMENT

This rate is subject to all billing adjustment charges, and such adjustment charges shall be billed in addition to the minimum charges.

ADDITIONAL CHARGES

Any amount authorized under the Corporation's standard line extension policy shall be in addition to charges of this rate schedule.

Issued by
Michael E. Easley, Chief Executive Officer

Issued: ~~March 30, 2017~~November 13, 2017

Effective: ~~March 1, 2017~~January 1, 2018
Dkt. No. 10014-~~177185~~-CT-17

Docket 10014-185-CT-17

Exhibit E

Tariff Proposed Version

Pgs. 1 and 6

THE PUBLIC SERVICE COMMISSION OF WYOMING

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

WY PSC

Tariff No. 9

1st Revised Sheet No. 1
 Cancels Original Sheet No. 1

TARIFF RATE RIDER				
Class	Billing Unit	2017 Approved Base Rate	2017 COPA *	2017 Adj Rate Tariff
Residential (A)	<u>Basic Charge</u> 200 Amps and Under	\$25.50		\$25.50
	Over 200 Amps	\$30.00		\$30.00
	\$/kWh - All kWh	\$0.080875	\$0.006706	\$0.0875810
Residential Seasonal (A)	<u>Basic Charge</u> 200 Amps and Under	\$306.00		\$306.00
	Over 200 Amps	\$360.00		\$360.00
	\$/kWh - All kWh	\$0.080875	\$0.006706	\$0.0875810
Residential Time of Day (TOD)	<u>Basic Charge</u> 200 Amps and Under	\$25.50		\$25.50
	Over 200 Amps	\$30.00		\$30.00
	<u>\$/kWh</u>			
	<u>September-May</u> All kWh - On Peak	\$0.08418	\$0.006706	\$0.0908860
	All kWh - Off Peak	\$0.05980	\$0.006706	\$0.0665060
	<u>June-August</u> \$/kWh - All kWh	\$0.080875	\$0.006706	\$0.0875810
Residential Heat Rate (RHR)	<u>Basic Charge</u> 200 Amps and Under	\$27.50		\$27.50
	Over 200 Amps	\$32.50		\$32.50
	\$/kWh - All kWh	\$0.080875	\$0.006706	\$0.0875810
	<u>October - April</u> Heat Credit per kWh of Electric Resistant Heat	(\$0.039810)		(\$0.039810)

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

Date Issued: November 13, 2017

Date Effective: January 1, 2018

By: 

Title: Chief Executive Officer
 Docket No. 10014-185-CT-17

Rate Schedule: Residential Heat Rate (RHR)

APPLICABILITY

Applicable to Residential customers of the Corporation who have permanent electric resistance heat and/or electric heat pump space heating systems. This rate is not available to seasonal loads. This rate is not available to Residential Time-of-Day (TOD) customers.

Customers taking electric service under this rate schedule must have Corporation approved meter installations and any additional equipment required by the Corporation necessary to meter the electric heat installation loads identified above separately from other loads.

AVAILABILITY

Available within the certificated territory of Powder River Energy Corporation.

TYPE OF SERVICE

Single-phase, 60 cycles, at Corporation's standard secondary voltage.

RATE

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

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

Heat Credit: \$(0.03981) per kWh of electric resistant heat usage during the months of October through April.

MINIMUM BILLING

The minimum monthly billing under this schedule shall be the Basic Charge.

BILLING ADJUSTMENT

This rate is subject to all billing adjustment charges, and such adjustment charges shall be billed in addition to the minimum charges.

ADDITIONAL CHARGES

Any amount authorized under the Corporation's standard line extension policy shall be in addition to charges of this rate schedule.

Issued by
Michael E. Easley, Chief Executive Officer