

**WYOMING PUBLIC SERVICE COMMISSION
REQUIRED COVER SHEET FOR ALL FILINGS AND APPLICATIONS**

Full Company Name Powder River Energy Corporation

Company ID 10014 Date December 5, 2022

Street Address 221 Main Street Sundance WY 82729-0930

Mailing Address PO Box 930 Sundance WY 82729-0930

City State Zip (plus 4 digits)

Contact Person Stephanie J. Pribilske Executive Staff Assistant

Name Title stephp@precorp.coop

(307) 283-4901

Type of filing (check all that apply)

Rules & Regulations

10014-227-CT-22

Tariffs included Yes No

Service List included Yes No

Total Amount Requested _____ Increase Decrease Implement New Rate

Amount Requested Per _____ (unit)

Type of Filing and Fees (check all fees that apply)

Interconnection Agreement **\$5.00**

Securities Filing **\$15.00**

Tariff Revisions **\$5.00**

Reorganization **\$100.00**

Transfer of Customer Base Service **\$5.00**

Mergers **\$100.00**

Name Change **\$5.00**

Transfer of Control **\$100.00**

IXC Registration (Reseller) **\$5.00**

Application **\$5.00**

Application Certificate of Public Convenience & Necessity **\$15.00**

Compliance Filings **No Charge**

ILEC and CLEC- New Filings **\$15.00**

Informational Filing

TOTAL AMOUNT ENCLOSED \$ _____

Compliance Filings

Compliance Filing? Yes No Docket No. _____

Revision/Amended Filing? Yes No Docket No. _____



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

200 GARNER LAKE ROAD
GILLETTE, WY 82718-0937
FAX: (307) 682-0733

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

1-800-442-3630

December 5, 2022

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

Re: Informational Filing Docket No. 10014-227-CT-22
Avoided Cost Rate Change Notification

Dear Mr. Burbridge

Powder River Energy Corporation (PRECorp or the Company) recently discovered that Basin Electric Power Cooperative (Basin) changed its avoided cost rate to its Common Use System (CUS)/PacifiCorp (PAC) System members for calendar year 2022 (this change occurred in late 2021). PRECorp is a Class 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 power requirements through agreements and contracts with Basin. Members 1st contract with the Cooperative adopts Basin's Class A rates to bill the Cooperative.

According to Commission Administrative Rule, Chapter 3, Section 35(c)(ii): A cooperative that is an all-requirements power supply customer of a generation and transmission cooperative or other wholesale power supplier shall inform the Commission of a change to its avoided cost rate at least 30 days before the effective date of such change, or within 15 days of the cooperative's receipt of notice if less than 45 days' notice is provided to the cooperative, by filing a copy thereof and a revised rate sheet indicating the cooperative's revised avoided cost rate and its effective date. Cooperatives complying with this paragraph shall not be required to file an application for approval unless ordered to do so by the Commission.

As an all-requirements power supply customer of Members 1st and given its avoided cost rate it pays its member-generators derived from the avoided cost rate Basin pays its CUS/PAC System members, PRECorp should have updated its avoided cost with the Commission in late 2021 for the 2022 calendar year. PRECorp's avoided cost rate is located on Tariff Rate Rider Sheet No. 4, on file at the Wyoming Public Service Commission – see Small Power Production (SPP) rate.

Fortunately, PRECorp does not force balance its member-generators/net-metering participants for their excess generation monthly, rather allows those having excess generation to bank that generation for use to offset their energy consumption throughout the year, completing the annual true-up or reconciliation of excess generation from member-generators on their December power bill, rendered in January each year. If PRECorp updates its SPP rate prior to the December usage billing, there is still time to accurately compensate its member-generators for their excess generation for 2022.

Tables 1 and 2 show PRECorp’s SPP rate calculations for calendar years 2021 and 2022, respectively, based on Basin’s published avoided cost rate to its CUS/PAC System members adjusted for line losses. As you can see, the 2022 avoided cost rate, PRECorp’s calculated SPP rate, is slightly higher than the rate currently published on Rate Sheet No. 4, \$.016021 compared to \$0.014694. Adjusting this rate before billing for December’s usage (early January 2023) will be beneficial to those member-generators who end the year with excess generation.

Table 1- PRECorp SPP Tariff Rate for excess generation calendar year 2021

Initial Rate	Transmission Loss	Distribution Loss	kWh Purchased to Net	kWh Generated to Net	Transmission Loss	Distribution Loss	Total Losses	Loss Adjustment	Rate Final	Rf - Rf(Lt) = Ri
Ri	Lt	Ld	Pp (1/(1-Transmission Losses))	Gg (1/(1-Distribution Loss))	TI (Pp-1)	DI (Gg-1)	Lt (TI-DI)	La Ri*Lt	Rf Ri+La	
\$0.01440	3.44%	1.50%	1.03563	1.015228	0.0356	0.015228	0.0204	0.000294	\$0.014694	\$0.014694 - (0.014694 * 0.0204) = 0.0144

Rf - Rf(Lt) = Ri
Ruling for last calculation 3.44% and 1.5% with Basin Avoided Cost for SPP Rate

Table 2- PRECorp SPP Tariff Rate for excess generation calendar year 2022

Initial Rate	Transmission Loss	Distribution Loss	kWh Purchased to Net	kWh Generated to Net	Transmission Loss	Distribution Loss	Total Losses	Loss Adjustment	Rate Final	Rf - Rf(Lt) = Ri
Ri	Lt	Ld	Pp (1/(1-Transmission Losses))	Gg (1/(1-Distribution Loss))	TI (Pp-1)	DI (Gg-1)	Lt (TI-DI)	La Ri*Lt	Rf Ri+La	
\$0.01560	4.05%	1.50%	1.04221	1.015228	0.0422	0.015228	0.0270	0.000421	\$0.016021	\$0.016021 - (0.016021 * 0.0270) = 0.01560

Rf - Rf(Lt) = Ri

The oversight to previously communicate and adjust the Company’s avoided cost it pays its member-generators for excess generation for 2022 was discovered when PRECorp learned that Basin had again updated its CUS/PAC System members avoided cost rate for 2023. That change, which impacts member-generators’ excess generation in 2023 also needs to be communicated and updated for the coming year.

The intent of this Informational filing is to provide the Commission with notice of the rate changes for both years so that the Company can provide the maximum value to its member-generators from their generation investments. Table 3 shows PRECorp’s SPP

rate calculations for calendar year 2023. As you can see, the rate increases again from the 2022 rate, \$0.016843 compared to \$0.016021.

Table 3 - PRECorp SPP Tariff Rate for excess generation calendar year 2023

Initial Rate	Transmission Loss	Distribution Loss	kWh Purchased to Net	kWh Generated to Net	Transmission Loss	Distribution Loss	Total Losses	Loss Adjustment	Rate Final	Rf - Rf(Lt) = Ri
Ri	Lt	Ld	1 kWh Pp	1 kWh Gg	TI	DI	Lt	La	Rf	
			(1/(1- Transmission Losses))	(1/(1- Distribution Loss))	(Pp-1)	(Gg-1)	(TI-DI)	Ri*Lt	Ri+La	
\$0.01640	4.05%	1.50%	1.04221	1.015228	0.0422	0.015228	0.0270	0.000443	\$0.016843	\$0.016843 - (0.016843 * 0.0270) = 0.01640

$R_f - R_f(L_t) = R_i$

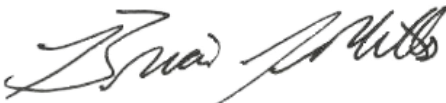
PRECorp Tariff Section IV, Sheets 31R-34R, addresses the Company’s Net-Metering Policy. Sheet 33R, Article (C) states, “The kWh rate for the avoided cost shall be established by utilizing the Small Power Production (SPP) rate schedule. This rate is available on the tariff Rate Rider Sheet No. 4 on file at the Wyoming Public Service Commission.”

In support of the two rate changes to the Company’s SPP rate for calendar years 2022 and 2023, the Company provides as Exhibits 1-4 copies of the proposed and legislative updates to Tariff Rate Rider Sheet No. 4 for its SPP rate. The Company also provides as Exhibits 5, 6, and 7, a copy of Basin Electric Policy for Administering the Public Utility Regulatory Policies Act of 1978 (PURPA) rate sheets for years 2021, 2022, and 2023 that identifies the rate it compensates its CUS/PAC System members for excess generation.

Assuming there are no objections from the Commission with PRECorp updating its SPP rate to \$0.016021 per/kWh for 2022, and to \$0.016843 per kWh for 2023, these will be the rates applied for buying-back excess generation from its member-generators for those years.

Thank you for your consideration.

Sincerely,



Brian J. Mills
Chief Executive Officer

BJM/sjp

Enclosures

THE WYOMING PUBLIC SERVICE COMMISSION

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

WY PSC Tariff No. 10
 3rd ~~2nd~~-Revised Sheet No. 4
 Cancels 2nd ~~1st~~ Revised Sheet No. 4

TARIFF RATE RIDER - continued -					
Class	Rate Code	Billing Unit	2020 Approved Base Rate	2022 COPA*	Total Rate
Idle Line Retention (IS)**	LRR	<u>Basic Charge-Monthly</u>			
	LRS	Residential/Seasonal	\$15.00		\$15.00
	LRI	Irrigation	\$15.00		\$15.00
	LRGS/LRGSC	General Service	\$18.00		\$18.00
	LRLP/LRLPC	Large Power	\$79.00		\$79.00
Green Tag (GT)	GT	One block equivalent to the environmental attributes of 100 kWh of renewable energy	\$0.20		\$0.20
Small Power Production (SPP)	SPP	\$/kWh on all kWh generated per month	\$0.014694 \$0.016021		\$0.014694 \$0.016021
Heat Rate (HR)		<u>Basic Charge-Monthly</u>			
		Single/Three Phase			
	SCC	Self Contained	\$4.00		\$4.00
	IRC1	Single Phase Instrument	\$13.00		\$13.00
	IRC3	Three Phase Instrument	\$19.00		\$19.00
		<u>October - April</u> Heat Credit per kWh of Electric Resistant Heat	(\$0.039750)		(\$0.039750)

Rate Schedules are subject to monthly minimums as stated on the individual rate schedule sheet.
 *Reference Sheet No. 34, Rate Schedule Billing Adjustments (BA) for more information on the COPA.
 **The Idle Service Schedule (IS) is a monthly charge with no energy usage.

Date Issued: ~~October 15, 2021~~ December 5, 2022

Date Effective: January 1, 2022

By: 

Title: Chief Executive Officer
 Docket No.: 10014- 229 227-CT-242

THE WYOMING PUBLIC SERVICE COMMISSION

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

WY PSC Tariff No. 10
 3rd Revised Sheet No. 4
 Cancels 2nd Revised Sheet No. 4

TARIFF RATE RIDER					
- continued -					
Class	Rate Code	Billing Unit	2020 Approved Base Rate	2022 COPA*	Total Rate
Idle Line Retention (IS)**	LRR	<u>Basic Charge-Monthly</u>			
	LRS	Residential/Seasonal	\$15.00		\$15.00
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Heat Rate (HR)		<u>Basic Charge-Monthly</u>			
		Single/Three Phase			
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Date Issued: December 5, 2022

Date Effective: January 1, 2022

By: 

Title: Chief Executive Officer
 Docket No.: 10014-227-CT-22

THE WYOMING PUBLIC SERVICE COMMISSION

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

WY PSC Tariff No. 10
 4th ~~3rd~~ Revised Sheet No. 4
 Cancels 3rd ~~2nd~~ Revised Sheet No. 4

TARIFF RATE RIDER - continued -					
Class	Rate Code	Billing Unit	2020 Approved Base Rate	2022 COPA*	Total Rate
Idle Line Retention (IS)**	LRR	<u>Basic Charge-Monthly</u>			
	LRS	Residential/Seasonal	\$15.00		\$15.00
	LRI	Irrigation	\$15.00		\$15.00
	LRGS/LRGSC	General Service	\$18.00		\$18.00
	LRLP/LRLPC	Large Power	\$79.00		\$79.00
Green Tag (GT)	GT	One block equivalent to the environmental attributes of 100 kWh of renewable energy	\$0.20		\$0.20
Small Power Production (SPP)	SPP	\$/kWh on all kWh generated per month	\$0.016024 \$0.016843		\$0.016024 \$0.016843
Heat Rate (HR)		<u>Basic Charge-Monthly</u>			
		Single/Three Phase			
	SCC	Self Contained	\$4.00		\$4.00
	IRC1	Single Phase Instrument	\$13.00		\$13.00
	IRC3	Three Phase Instrument	\$19.00		\$19.00
		<u>October - April</u>			
		Heat Credit per kWh of Electric Resistant Heat	(\$0.039750)		(\$0.039750)

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NAME: Powder River Energy Corporation
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WY PSC Tariff No. 10
 4th Revised Sheet No. 4
 Cancels 3rd Revised Sheet No. 4

TARIFF RATE RIDER					
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Date Issued: December 5, 2022

Date Effective: January 1, 2023

By: 

Title: Chief Executive Officer
 Docket No.: 10014-227-CT-22

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 that, but for the purchase from the qualifying facility, such utility would generate itself or purchase from another source.

Per the Basin Electric Board action in August 2017, the Board closed the Renewable Resource Pass Through Rate and such qualifying projects will be addressed under the PURPA Rate. As a result, Basin Electric will purchase 100% of the output of new Member-owned renewable projects that are less than or equal to 1 MW at Basin Electric's PURPA Rate. Such Member-owned purchases shall not exceed 7MW in total. The Basin Electric purchase price and billing mechanisms for the Member-owned renewable projects will be in accordance with the PURPA Billing/Meter subsection 2 provisions.

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.

The below rates are valued at the point of delivery:

Rates

1. QF generation with a capacity rating of more than 50 kW but less than 150 kW

Power Supply Planning Area	Capacity (\$/kw-mo.)	Energy (Mill/kWh)
MISO	0	14.6 OR the Real Time Hourly LMP price
SPP	0	22.5 OR the Real Time Hourly LMP price
NW Energy	0	23.4
CUS/PAC	0	14.4

2. QF generation with a capacity rating of 150 kW or greater

Power Supply Planning Area	Capacity (\$/kw-mo.)	Energy (Mill/kWh)
MISO	0	Real Time Hourly LMP price
SPP	0	Real Time Hourly LMP price
NW Energy	0	23.4
CUS/PAC	0	14.4

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 2021. As a result, no new capacity is required in 2021 and no capacity payments are provided to QFs as the QF generation results in no avoided capacity construction or avoided purchase power capacity expense.

Basin Electric is also planning for resource expansion in some Power Supply Planning Areas. As a result, Basin Electric is willing to discuss the pricing of resource commitments for periods more than one year on a negotiated basis.

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 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.

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.

Pursuant to 18 CFR 292.302 of the Regulations of the Federal Energy Regulatory Commission, Basin Electric retains its electric utility system cost data for public inspection upon request.

Billing/Metering

1. QF generation with a capacity rating of 50kW or less

The Member may contract to purchase the QF generation.

2. QF generation with a capacity rating of more than 50 kW but less than 150 kW

The Member may contract to purchase the QF generation.

Basin Electric shall reimburse the Member for its QF generation purchase. Basin Electric payment to the 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 Member via a credit on its monthly power bill.

The 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:

- a) 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 Member at its option and expense may install 30 minutes MV90 compatible 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.
- b) If the Member chooses to be paid per the real time hourly LMP price for MISO or SPP, the Member must install 30 minute MV90 compatible time registration metering. 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. The appropriate pricing node will be determined by Basin Electric at the time of application.
- c) 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 a) 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.

3. QF generation with a capacity rating of 150 kW or greater

For Members that have not assigned over their PURPA obligation of 150kW or greater to Basin Electric, the Member may contract to purchase the QF generation.

Basin Electric shall reimburse the Members for its QF generation purchase. Basin Electric payment to the 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 Member via a credit on its monthly power bill.

- a) The Member shall be responsible for installing 30 minute MV90 compatible time registration demand metering on the QF's. The 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.
- b) 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.

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 that, but for the purchase from the qualifying facility, such utility would generate itself or purchase from another source.

Basin Electric will purchase 100% of the output of new Member-owned renewable projects that are less than or equal to the values listed in the table below. The maximum amount of Member Owned projects will be reviewed occasionally and reassessed as needed. The Basin Electric purchase price and billing mechanisms for the Member-owned renewable projects will be in accordance with the PURPA Billing/Meter subsection 2 provisions.

Member	Member-Owned amount (kW)	Member	Member-Owned amount (kW)
Central MT	4,950	Minn Valley Electric	2,000
Central Power	15,750	Mor-Gran-Sou	1,450
Corn Belt	14,100	NIPCO	8,100
Crow Wing	1,950	Rosebud	350
East River	23,300	Rushmore	9,350
Flathead	Not Applicable	Tri-State West	Not Applicable
Grand	450	Tri-State East	2,950
KEM	650	Upper Missouri	59,700
LO	3,250	Wright Hennepin	1,400
Members 1st	13,950	WMPA	1,600
Minn Valley Light	1,200		

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.

The below rates are valued at the point of delivery:

Rates

1. QF generation with a capacity rating of more than 50 kW but less than 150 kW

Power Supply Planning Area	Capacity (\$/kw-mo.)	Energy (Mill/kWh)
MISO	0	17.2 OR the Real Time Hourly LMP price
SPP	0	14.7 OR the Real Time Hourly LMP price
NW Energy	0	15.3
CUS/PAC	0	15.6

2. QF generation with a capacity rating of 150 kW or greater

Power Supply Planning Area	Capacity (\$/kw-mo.)	Energy (Mill/kWh)
MISO	0	Real Time Hourly LMP price
SPP	0	Real Time Hourly LMP price
NW Energy	0	15.3
CUS/PAC	0	15.6

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 2022. As a result, no new capacity is required in 2022 and no capacity payments are provided to QFs as the QF generation results in no avoided capacity construction or avoided purchase power capacity expense.

Basin Electric is also planning for resource expansion in some Power Supply Planning Areas. As a result, Basin Electric is willing to discuss the pricing of resource commitments for periods more than one year on a negotiated basis.

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 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.

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.

Pursuant to 18 CFR 292.302 of the Regulations of the Federal Energy Regulatory Commission, Basin Electric retains its electric utility system cost data for public inspection upon request.

Billing/Metering

1. QF generation with a capacity rating of 50kW or less

The Member may contract to purchase the QF generation.

2. QF generation with a capacity rating of more than 50 kW but less than 150 kW

The Member may contract to purchase the QF generation.

Basin Electric shall reimburse the Member for its QF generation purchase. Basin Electric payment to the 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 Member via a credit on its monthly power bill.

The 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:

- a) 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 Member at its option and expense may install 30 minutes MV90 compatible 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.
- b) If the Member chooses to be paid per the real time hourly LMP price for MISO or SPP, the Member must install 30 minute MV90 compatible time registration metering. 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. The appropriate pricing node will be determined by Basin Electric at the time of application.
- c) 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 a) 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.

3. QF generation with a capacity rating of 150 kW or greater

For Members that have not assigned over their PURPA obligation of 150kW or greater to Basin Electric, the Member may contract to purchase the QF generation.

Basin Electric shall reimburse the Members for its QF generation purchase. Basin Electric payment to the 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 Member via a credit on its monthly power bill.

- a) The Member shall be responsible for installing 30 minute MV90 compatible time registration demand metering on the QF's. The 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.
- b) 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.

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 that, but for the purchase from the qualifying facility, such utility would generate itself or purchase from another source.

Basin Electric will purchase 100% of the output of new Member-owned renewable projects that are less than or equal to the values listed in the table below. The maximum amount of Member Owned projects will be reviewed occasionally and reassessed as needed. The Basin Electric purchase price and billing mechanisms for the Member-owned renewable projects will be in accordance with the PURPA Billing/Meter subsection QF generation with a capacity rating of more than 50 kW but less than 150 kW .

Member	Member-Owned amount (kW)	Member	Member-Owned amount (kW)
Central MT	4,950	Minn Valley Electric	2,000
Central Power	15,750	Mor-Gran-Sou	1,450
Corn Belt	14,100	NIPCO	8,100
Crow Wing	1,950	Rosebud	350
East River	23,300	Rushmore	9,350
Flathead	Not Applicable	Tri-State West	Not Applicable
Grand	450	Tri-State East	2,950
KEM	650	Upper Missouri	59,700
LO	3,250	Wright Hennepin	1,400
Members 1st	13,950	WMPA	1,600
Minn Valley Light	1,200		

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.

The below rates are valued at the point of delivery:

Rates

QF generation with a capacity rating of more than 50 kW but less than 150 kW

Power Supply Planning Area	Energy (Mill/kWh)
MISO	16.6 OR the Real Time Hourly LMP price
SPP	13.4 OR the Real Time Hourly LMP price
NW Energy	13.9
CUS/PAC	16.4

QF generation with a capacity rating of 150 kW or greater

Power Supply Planning Area	Energy (Mill/kWh)
MISO	Real Time Hourly LMP price
SPP	Real Time Hourly LMP price
NW Energy	13.9
CUS/PAC	16.4

Basin Electric is also planning for resource expansion in some Power Supply Planning Areas. As a result, Basin Electric is willing to discuss the pricing of resource commitments for periods more than one year on a negotiated basis.

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 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.

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.

Pursuant to 18 CFR 292.302 of the Regulations of the Federal Energy Regulatory Commission, Basin Electric retains its electric utility system cost data for public inspection upon request.

Billing/Metering

QF generation with a capacity rating of 50kW or less

The Member may contract to purchase the QF generation.

QF generation with a capacity rating of more than 50 kW but less than 150 kW

The Member may contract to purchase the QF generation.

Basin Electric shall reimburse the Member for its QF generation purchase. Basin Electric payment to the 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 Member via a credit on its monthly power bill.

The 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:

- a) 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 Member at its option and expense may install 30 minutes MV90 compatible 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.

- b) If the Member chooses to be paid per the real time hourly LMP price for MISO or SPP, the Member must install 30 minute MV90 compatible time registration metering. 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. The appropriate pricing node will be determined by Basin Electric at the time of application.
- c) 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 a) 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.

QF generation with a capacity rating of 150 kW or greater

For Members that have not assigned over their PURPA obligation of 150kW or greater to Basin Electric, the Member may contract to purchase the QF generation.

Basin Electric shall reimburse the Members for its QF generation purchase. Basin Electric payment to the 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 Member via a credit on its monthly power bill.

- a) The Member shall be responsible for installing 30 minute MV90 compatible time registration demand metering on the QF's. The 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.
- b) 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.