

BEFORE THE PUBLIC SERVICE COMMISSION OF WYOMING

IN THE MATTER OF THE APPLICATION OF )  
CHEYENNE LIGHT, FUEL AND POWER ) DOCKET NO. 20003-166-EA-18  
COMPANY d/b/a BLACK HILLS ENERGY FOR ) (RECORD NO. 14946)  
AUTHORITY TO DECREASE ITS ELECTRIC )  
VOLUNTARY RENEWABLE ENERGY RIDER, )  
EFFECTIVE APRIL 1, 2018 )

NOTICE AND ORDER  
(Issued April 11, 2018)

This matter is before the Wyoming Public Service Commission (Commission) on Cheyenne Light, Fuel and Power Company d/b/a Black Hills Energy's (BHE or the Company) Application for authority to modify its electric Voluntary Renewable Energy Rider (VRER).

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

1. BHE is a public utility as defined by Wyo. Stat. § 37-1-101(a)(vi)(C), subject to the Commission's jurisdiction pursuant to Wyo. Stat. § 37-2-112.

2. On March 1, 2018, BHE filed its Application requesting authority to decrease its VRER from the current level of \$0.89 to \$0.56 per month for each 100 kilowatt hour (kWh<sup>1</sup>) block pursuant to Commission Rule Chapter 3, Section 21(h) and BHE's Tariff P.S.C. Wyo. No. 13, First Revised Sheet No. 35. BHE requests an effective date of April 1, 2018, and to provide notice by posting the revised tariff sheet in the Company's Cheyenne, Wyoming, office location and on the Company's website.

3. The VRER program was established in Docket No. 20003-140-ET-14 (Record No. 13958) and is available on a voluntary basis to all electric customers whose usage is 100 kWh or greater each month. The Company's VRER recovers costs of the voluntary program that enables customers who choose to support renewable energy generation to purchase renewable energy credits (RECs) in monthly 100 kWh block increments. BHE purchases RECs from Bonneville Environmental Foundation and updates the monthly VRER rate annually on April 1<sup>st</sup> of each year.

4. BHE proposes a decrease in the VRER of \$0.33 per block, or a 37% reduction in the current tariff rate. The proposed \$0.56 per 100 kWh block is a two-part rate, composed of the sum of REC costs of \$0.45 per block and administrative costs of \$0.11 per block. The Company uses a balancing account to track the VRER administrative costs and REC costs incurred by the Company, and revenues received by customers using the program. Currently, the Company forecasts an over-recovery in the balancing account of approximately \$299, which is an administrative cost over-recovery of approximately \$229 and a REC cost over-recovery of \$70.

---

<sup>1</sup> Each block represents 1/10 of a Renewable Energy Credit (REC).

BHE forecasts it will sell 2,580 blocks between April 2018 and March 2019. The Bonneville RECS are \$6.00 each. Consequently, based on the over-recovery and the sale forecast, the Company calculates the proposed monthly rate of \$0.56 per 100 kWh block. The table below illustrates the VRER rate calculation:

**Table 1. VRER Rate Calculation**

REC Cost	
Forecast 207.10 RECs at \$6.00/REC	\$1,241.40
REC Share of Balancing Account – projected March 31, 2018	\$ (70.00)
Total REC Cost	\$1,171.40
Forecast Sales (100 kWh Blocks) (April 2017 – March 2018)	2,580
REC Monthly Cost / 100 kWh block	\$0.45
Administration Cost	
Administration	\$ 500.00
Administration Cost Share of Balancing Account – Projected March 31, 2018	\$ (228.72)
Total Administration Cost	\$ 271.28
Forecast Sales (100 kWh Blocks) (April 2017 – March 2018)	2,580
Administration Monthly Cost / 100 kWh block	<u>\$0.11</u>
<b>Total Monthly Rate / 100 kWh block (VRER) (\$0.45+\$0.11)</b>	<b>\$0.56</b>

5. BHE's Application came before the Commission for consideration pursuant to due notice at its Open Meeting on March 27, 2018. Jason S. Keil, Manager – Regulatory, appeared by telephone on behalf of the Company. Mr. Keil provided a summary of the Application and components of the VRER, generally describing the information set forth in paragraphs 2–4 of this *Notice and Order*. Deputy Chair Fornstrom asked Mr. Keil about the current participation level in this program and whether the Company is seeing any growth in participation. Mr. Keil stated there is a decrease in customer participation, from 29 customers in 2017 to 26 as of the date of the Open Meeting. In response to a question from Commission Staff, Mr. Keil stated the Company has no objection to personally notifying customers via a bill insert, first class United States mail, postage pre-paid or through electronic mail. Commission Staff recommended approval of the Application.

6. Based on the Application, representations by Mr. Keil, and the analysis and recommendations of Commission Staff, the Commission finds and concludes the proposed modifications to the Company's VRER are in the public interest and should be approved. The Commission further finds that the Company shall provide notice by posting the revised tariff sheet in its place of business located in Cheyenne, Wyoming, posting on the Company's website, and by personally sending the participating customers of this program this *Notice and Order* by either first class United States mail, postage prepaid or by electronic mail.



7. This is not a complete description of the Application. BHE's Application is on file with the Commission at its offices in Cheyenne, Wyoming, and at the Company's offices in Cheyenne, Wyoming, and may be inspected by any interested person during regular business hours or online at: <http://psc.state.wy.us/>.

8. Anyone desiring to file a statement, intervention, protest, or a request for a public hearing in this matter must so file, in writing, with the Commission on or before May 11, 2018. The petition shall set forth the grounds of the proposed intervention or request for hearing, and the position and interest of the petitioner in this proceeding. Please mention Docket No. 20003-166-EA-18 (Record No. 14946) in your communications.

9. If you wish to intervene in this matter or request a public hearing which you will attend, and you require reasonable accommodation for a disability, please contact the Wyoming Public Service Commission at (307) 777-7427, or write to the Commission at 2515 Warren Avenue, Suite 300, Cheyenne, Wyoming 82002, to make arrangements. Communications impaired persons may also contact the Commission by accessing Wyoming Relay by dialing 711.

IT IS THEREFORE ORDERED:

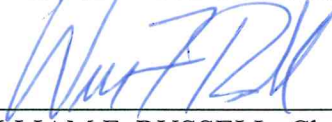
1. Pursuant to Open Meeting action taken on March 27, 2018, Cheyenne Light, Fuel and Power Company d/b/a Black Hills Energy's Application for authority to decrease its electric voluntary renewable energy rider from \$0.89 to \$0.56 per month for each 100 kilowatt hour (kWh) block is approved, effective for usage on and after April 1, 2018, and subject to notice, protest, intervention, refund, change, further investigation, opportunity for hearing, and such other orders as the Commission may deem appropriate.

2. Notice shall be provided by posting the revised tariff sheet in Cheyenne Light, Fuel and Power Company d/b/a Black Hills Energy's place of business located in Cheyenne, Wyoming, posting on the Company's website, and by personally sending the participating customers of this program this *Notice and Order* by either first class United States mail, postage prepaid or by electronic mail.

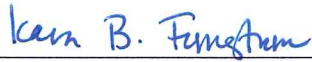
3. This *Order* is effective immediately.

MADE and ENTERED at Cheyenne, Wyoming, on April 11, 2018.

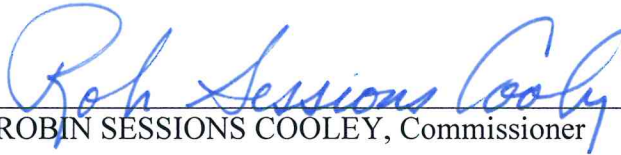
PUBLIC SERVICE COMMISSION OF WYOMING



\_\_\_\_\_  
WILLIAM F. RUSSELL, Chairman



\_\_\_\_\_  
KARA BRIGHTON FORNSTROM, Deputy Chair



\_\_\_\_\_  
ROBIN SESSIONS COOLEY, Commissioner



\_\_\_\_\_  
KATIE J. KOSKI, Assistant Secretary