

BEFORE THE PUBLIC SERVICE COMMISSION OF WYOMING

IN THE MATTER OF THE APPLICATION OF)
CHEYENNE LIGHT, FUEL AND POWER) Docket No. 20003-150-ET-16
COMPANY D/B/A BLACK HILLS ENERGY) Docket No. 30005-211-GT-16
FOR APPROVAL TO UPDATE ITS ELECTRIC) (Record No. 14356)
AND GAS TARIFFS APPLICABLE TO THE)
DEMAND SIDE MANAGEMENT MARGIN)
RECOVERY, THE BALANCING ACCOUNT)
AND PROGRAM COSTS)

ORDER

(Issued July 11, 2016)

This matter is before the Wyoming Public Service Commission (Commission) upon the Application of Cheyenne Light, Fuel and Power Company d/b/a Black Hills Energy (BHE) (the Company) for approval to update its electric and gas Demand Side Management (DSM) rates applicable to the DSM margin recovery, the DSM balancing account, and DSM program costs. The Commission, having reviewed the Application, its files regarding BHE, applicable Wyoming utility law, and otherwise being fully advised in the premises, FINDS and CONCLUDES:

1. BHE is a public utility as defined in W.S. § 37-1-101(a)(vi)(C), providing retail electric service, and W.S. § 37-1-101(a)(vi)(D), providing retail natural gas service, under Certificates of Public Convenience and Necessity issued by the Commission. BHE is subject to the Commission's jurisdiction pursuant to W.S. § 37-2-112. The Company provides electric and natural gas public utility services in the city of Cheyenne and to specified immediately adjacent rural areas.

2. On March 30, 2016, BHE submitted an Application to update the DSM balancing account, file the DSM annual program status report, and update the DSM rates. Specifically, BHE requested approval to update its electric and gas Demand Side Management (DSM) rates to reflect the DSM program costs for July 1, 2016 through June 30, 2017, the DSM balancing account balances as of February 29, 2016, and to recover its lost margin revenue associated with the nineteen month program period from June 2014 through December 2015. The updated DSM balancing account contains the calculations necessary to update the DSM Surcharge Rates and is detailed in Corrected Exhibit No. 1.

3. Residential and commercial impacts of the change to the DSM Surcharge Rates can be found in Corrected Exhibit 1. According to the Company, for a typical Residential customer, the effect is an estimated \$0.07 reduction in the monthly electric bill, a decline of 0.07 percent; and for a typical Residential gas customer, the effect is an estimated \$0.23 reduction in the monthly bill, a decline of 0.48 percent. For a typical Commercial customer, the effect is an estimated \$1.29 increase in the monthly electric bill, an increase of 0.74 percent; and for a typical Commercial gas customer, the effect is an estimated \$0.43 increase in the monthly bill, an increase of 0.21 percent.

4. A *Notice of Application* was issued April 7, 2016, and expired with no protests or requests to intervene on May 6, 2016.

5. This matter was brought before the Commission pursuant to due notice for consideration at its June 30, 2016, open meeting. Alan Stoinski, Manager of Energy Efficiency, and Fred Stoffel, Director of Regulatory Affairs, appeared in person and Deb Bisgaard, Senior Regulatory Analyst appeared by telephone for the Company. Stoffel provided a summary of the Application and the anticipated impacts the proposed DSM Surcharge Rates are expected to have on Residential and commercial customers. The Commission queried Company representatives about the participation rates and efficacy of the various DSM programs, in particular the lighting and gas prescriptive programs were discussed.

6. Based upon the Application, the facts and representations of the Company and the analysis and recommendations of Commission Staff, the Commission finds and concludes that BHE's DSM programs continue to educate and help customers reduce their overall energy consumption through energy efficiency programs. The Commission further finds and concludes approval of this Application is consistent with the public interest.

IT IS THEREFORE ORDERED:

1. Pursuant to Commission action taken at the June 30, 2016, open meeting, the Application of Cheyenne Light, Fuel and Power Company d/b/a Black Hills Energy for approval to update its electric and gas Demand Side Management (DSM) rates applicable to the DSM margin recovery, the DSM balancing account, and DSM program costs, is approved.

2. This *Order* is effective immediately.

MADE and ENTERED at Cheyenne, Wyoming, on July 11 2016.

PUBLIC SERVICE COMMISSION OF WYOMING


ALAN B. MINIER, Chairman


WILLIAM F. RUSSELL, Deputy Chairman



Attest:


LORI L. BRAND, Assistant Secretary