

BEFORE THE PUBLIC SERVICE COMMISSION OF WYOMING

IN THE MATTER OF THE APPLICATION OF)
CHEYENNE LIGHT, FUEL AND POWER)
COMPANY D/B/A BLACK HILLS ENERGY FOR) DOCKET NO. 20003-180-EN-19
A CERTIFICATE OF PUBLIC CONVENIENCE) (RECORD NO. 15205)
AND NECESSITY TO CONSTRUCT AND)
OPERATE A 115 KV SWITCHING SUBSTATION)
AND ASSOCIATED TRANSMISSION LINES,)
AND RELATED FACILITIES IN LARAMIE)
COUNTY, WYOMING)

ORDER GRANTING A
CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY
(Issued October 7, 2019)

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 (CLFP or the Company) for a Certificate of Public Convenience and Necessity (CPCN) to construct and operate the West Cheyenne Substation, and related facilities in Laramie County (the Project) and its *Petition for Confidential Treatment (Petition)*.

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

1. CLFP 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 February 12, 2019, CLFP filed an Application requesting a CPCN to construct the Project pursuant to Wyo. Stat. § 37-2-205 and Commission Rule Chapter 3, Section 21. The Project consists of a new 115kV switching substation (West Cheyenne Substation) and two 115kV double circuit transmission lines. CLFP will construct the Project in Laramie County, approximately 5 miles west of Cheyenne.

3. The West Cheyenne Substation will be a transmission tie for two existing 115kV transmission lines, which will allow for the interconnection of new generation resources to CLFP's system. One 115 kV double circuit transmission line will intersect with the existing North-Range-Corlett 115 kV transmission line and extend approximately two miles to the West Cheyenne substation. The other 115 kV double circuit transmission line will intersect the existing South Cheyenne-King Ranch 115 kV transmission line and extend approximately two miles to the West Cheyenne Substation.

4. The Project accommodates several recent requests for transmission interconnection to CLFP's system by generating facilities. The Project will also provide additional reliability and capacity to CLFP's system.

5. The proposed 115kV transmission lines are less than the 230 kV threshold that triggers actual notice to affected landowners pursuant to Wyo. Stat. § 37-2-205(e).

6. CLFP stated there are no known historical, archeological, or recreational areas impacted by the proposed Project.

7. The estimated cost of the Project is approximately \$8.7 million, which will be financed internally and add approximately \$1 million to CLFP's annual revenue requirement for the first six years of operation. The Project will not be included in rates until approved by the Commission in CLFP's next general rate case.

8. The Company expects to commence construction during the summer of 2019 and anticipates the Project to be in service by July 2020.

9. The Commission issued its *Notice of Application* on February 21, 2019. HollyFrontier Cheyenne Refining, LLC, and Dyno Nobel, Inc. filed petitions to intervene.

10. This matter was brought before the Commission pursuant to due notice at its August 29, 2019, Open Meeting. Jana Smoot White, Associate General Counsel, appeared in person for CLFP and provided a summary of the Application, generally providing the information in paragraphs 2 through 8 above. Rick Thompson, Counsel for Dyno Nobel, stated he had no objections to the issuance of a CPCN.

11. Wyo. Stat. § 37-2-205(a) states, in part:

No public utility shall begin construction of a line, plant or system, or of any extension of a line, plant or system without having first obtained from the commission a certificate that the present or future public convenience and necessity require or will require such construction.

12. Wyo. Stat. § 37-2-205(c) states:

Before any certificate may issue, under this section, a certified copy of its articles of incorporation or charter, if the applicant be a corporation, shall be filed in the office of the commission. The commission shall have power, after hearing involving the financial ability and good faith of the applicant and the necessity of additional service in the community, to issue said certificate, as prayed for, or to refuse to issue the same, or to issue to it for the construction of a portion only of the contemplated line, plant, or system, or of a portion only, of the contemplated line, plant, system or extension thereof, or for the partial exercise only of said right or privilege, and may attach to the exercise of the rights granted by said certificate such terms and conditions as in its judgment the public convenience and necessity may require.

13. The Commission has interpreted Wyo. Stat. § 37-2-205 in Commission Rule Chapter 3, Section 21(c), which addresses what must be included in a CPCN application. If the application proposes the operation or construction of a major utility facility, Commission Rule Chapter 3, Section 21(c)(ii) provides the application shall include the following information in addition to the requirements listed for a standard CPCN:

14. Based on the Application, the facts and representations presented by CLFP, the analysis of Commission Staff, and consideration of the intervenors' comments, the Commission finds that the Application conforms to the requirements of statute and the Commission's Rules as highlighted above. The Commission further finds that the Project is necessary and in the public

interest. The evidence before the Commission supports issuance of the CPCN and, therefore, the CPCN Application is granted. The Commission also concludes that CLFP's *Petition* complies with Commission Rule Chapter 2, Section 30, and is granted.

NOW, THEREFORE, IT IS HEREBY ORDERED:

1. Pursuant to Commission action taken at the August 29, 2019, Open Meeting, Cheyenne Light, Fuel and Power Company d/b/a Black Hills Energy's Application for a Certificate of Public Convenience and Necessity to construct a 115 kV switching substation and associated transmission lines, and related facilities in Laramie County, is approved.
2. This *Order* does not determine any ratemaking issues, all of which are expressly reserved for further decision in appropriate proceedings before the Commission.
3. Cheyenne Light, Fuel and Power Company d/b/a Black Hills Energy shall comply with Commission Rule Chapter 3, Section 22, regarding construction reports.
4. Cheyenne Light, Fuel and Power Company d/b/a Black Hills Energy's above described *Petition for Confidential Treatment* is granted.
5. This *Order* is effective immediately.

MADE and ENTERED at Cheyenne, Wyoming, on October 7, 2019.

PUBLIC SERVICE COMMISSION OF WYOMING



KARA B. FORNSTROM, Chairman



MARY A. THRONE, Deputy Chairman



MICHAEL M. ROBINSON, Commissioner





STEVE MINK, Assistant Secretary