

Wyoming Public Service Commission

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<https://psc.wyo.gov/home>

- Wyo. Stat. § 37-2-112 provides the Wyoming Public Service Commission with “general and exclusive power to regulate and supervise every public utility” in accordance with provisions of Title 37.
- Public utilities generally include electric, gas, water and intrastate pipelines. (Exceptions and limitations apply in each category.)
- The Commission consists of three Commissioners appointed by the Governor and confirmed by the Senate. Commissioners serve staggered 6-year terms, so that every two years a commissioner’s term expires. The Commission staff consists of 28 members, including technical staff, attorneys, engineers and support staff.
- The Commission’s primary duty is to ensure that public utilities provide Wyoming Customers safe adequate and reliable service at just and reasonable rate. It implements public policy as reflected in statute, primarily the applicable provisions of Title 37.
- Public utilities generally include entities that provide electric, gas, water, intrastate transportation by pipeline. (Exceptions and limitations apply in each category.)
- Certain telecommunications service (essential non-competitive service) is subject to regulation by the Commission.

- Wyoming public utilities are generally obligated to provide service within their assigned territory consistent with rates and terms approved by the Commission.
- Changes to Public utilities' rates, terms and conditions of service are subject to Commission approval. (Exceptions apply.) The Commission must issue its written decision on rate changes within 10 months of an application.
- The Commission is required to observe the Wyoming Administrative Procedure Act (WAPA). Most Commission decisions are made within a WAPA "contested case" proceedings. Commission decisions are subject to judicial review.
- Public utilities must be allowed to recover prudently incurred expenses and provided an opportunity to recover a reasonable return on investments in plant and equipment. (See *Bluefield Water Works v. Public Service Comm'n*, 262 U.S. 679 (1923), *Federal Power Commission et al. v. Hope Natural Gas Co.*, 320 U.S. 591, 603 (1944).)
- Public utilities are generally required to provide service at the lowest cost consistent with safety, adequacy and reliability.

Electric Utilities

- Electric utilities include investor-owned, cooperative, and municipal entities.
 - Investor owned electric utilities are fully regulated as to rates and terms of service.
 - Municipal electric utilities' rates and terms of service are regulated by the Commission only as to service provided outside the corporate limits.
 - Cooperative electric utilities are exempt from rate regulation, all eligible cooperative having exercised the option provided by statute, i.e., they are responsible for setting their own rates for energy and monthly charges. (With the exception of Powder River Energy Corp., or PRECorp.)

- Investor-owned utilities (IOUs) providing electric service may be distribution only or “vertically integrated” so that they generate transmit, and distribute electric energy. Cooperatives and municipal electric utilities are generally distribution only, and obtain wholesale power from a generation and transmission entity.

- Some aspects of electric utility operations are governed by federal law. For example, bulk electric system reliability, interstate transmission, and integration of renewable generation less than 80 megawatts are subject to Federal Energy Regulatory Commission jurisdiction.

Multi-jurisdictional Electric Utilities

- Multi-jurisdictional utilities provide service in Wyoming and other states. For example, PacifiCorp, d/b/a in Wyoming as Rocky Mountain Power, serves in six states. (WY, UT, ID, WA, OR, and CA)
 - Setting rates for multi-jurisdictional utilities requires the Commission to separate the costs of providing service in Wyoming from costs related to serving in other states.
 - PacifiCorp/Rocky Mountain Power costs are allocated utilizing a “Multi-State Process” (MSP) that assigns distribution related costs to the individual states, and that divides “system” costs to the states according to their proportional share of load. The methodology for allocating costs to the various states is currently under negotiation by stakeholders.

- Integrated Resource Planning (IRP) is a process by which public utilities develop plans to ensure their ability to meet the demands of customers into the medium-to-long term future.
 - This process is particularly necessary with respect to vertically integrated electric utilities, in part due to long lead times for construction and long (30-60 year) useful lives of major investment items such as generation and transmission facilities.
 - States’ approaches to this process vary. In Wyoming, IRP proceedings provide the opportunity for Commission and public review and comment, and conclude with “acceptance for filing.” The Commission does not approve or reject IRPs. (Since Wyoming does not approve IRPs, construction of major facilities requires an application for a Certificate of Public Convenience and Necessity and Commission approval. Any rate effects related to construction of new facilities are determined in separate proceedings.)

Rates for Electric Service

- Rates are designed to allow for the recovery of prudently incurred expenses and investment and to allow the utility a reasonable opportunity to earn a return on investment in utility plant.

- Customers are divided into classes whose members are similar in the cost to the utility of providing their service.
 - Rates are designed to recover the “class cost of service” from the members of each class, and to avoid subsidization of one class by another
 - Electric utilities typically differentiate between residential, commercial, industrial, and transmission only classes. Rate differences between classes correspond to the differences in cost of providing service.

- The nine attached graphs provide information about rates for electric utility service provided in Wyoming. The graphs include:

RESIDENTIAL

- **Wyoming Residential 2017 Average Rate ¢/kWh** (cents per kilowatt hour)

(A comparison of the average rate charged by each Wyoming electric utility.)

- **Residential Average ¢/kWh**

(A comparison of the Wyoming residential average rates with rates in other states from 2001-2018.)

- **Wyoming Residential Average Rate ¢/kWh**

(A depiction of Wyoming residential rates by utility for 2013-2017)

COMMERCIAL

- Wyoming Commercial 2017 Average Rate ¢/kWh (cents per kilowatt hour)

(A comparison of the average rate charged by each Wyoming electric utility.)

- Commercial Average ¢/kWh

(A comparison of the Wyoming residential average rates with rates in other states.)

- Wyoming Commercial Average Rate ¢/kWh

(A depiction of Wyoming residential rates by utility for 2013-2017)

INDUSTRIAL

- Wyoming Industrial Average Rate ¢/kWh (cents per kilowatt-hour)

(A comparison of the average rate charged by each Wyoming electric utility.)

- Industrial Average ¢/kWh

(A comparison of the Wyoming residential average rates with rates in other states.)

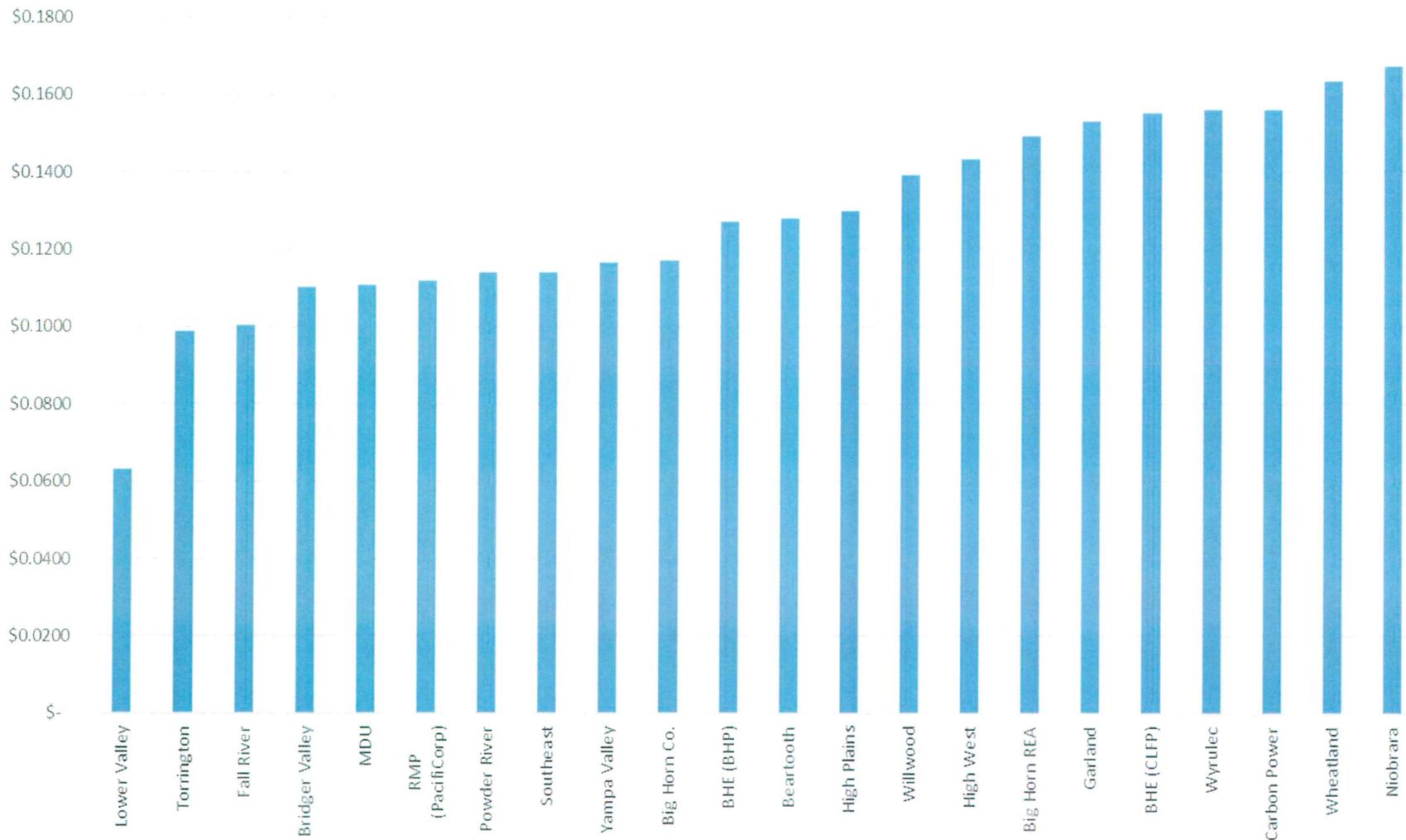
- Wyoming Industrial; Average Rate ¢/kWh

(A depiction of Wyoming residential rates by utility for 2013-2017)

(Data sources for charts includes information provided to the Wyoming Public Service Commission by public utilities' annual reports and information obtained from the U.S Energy Information Administration.)

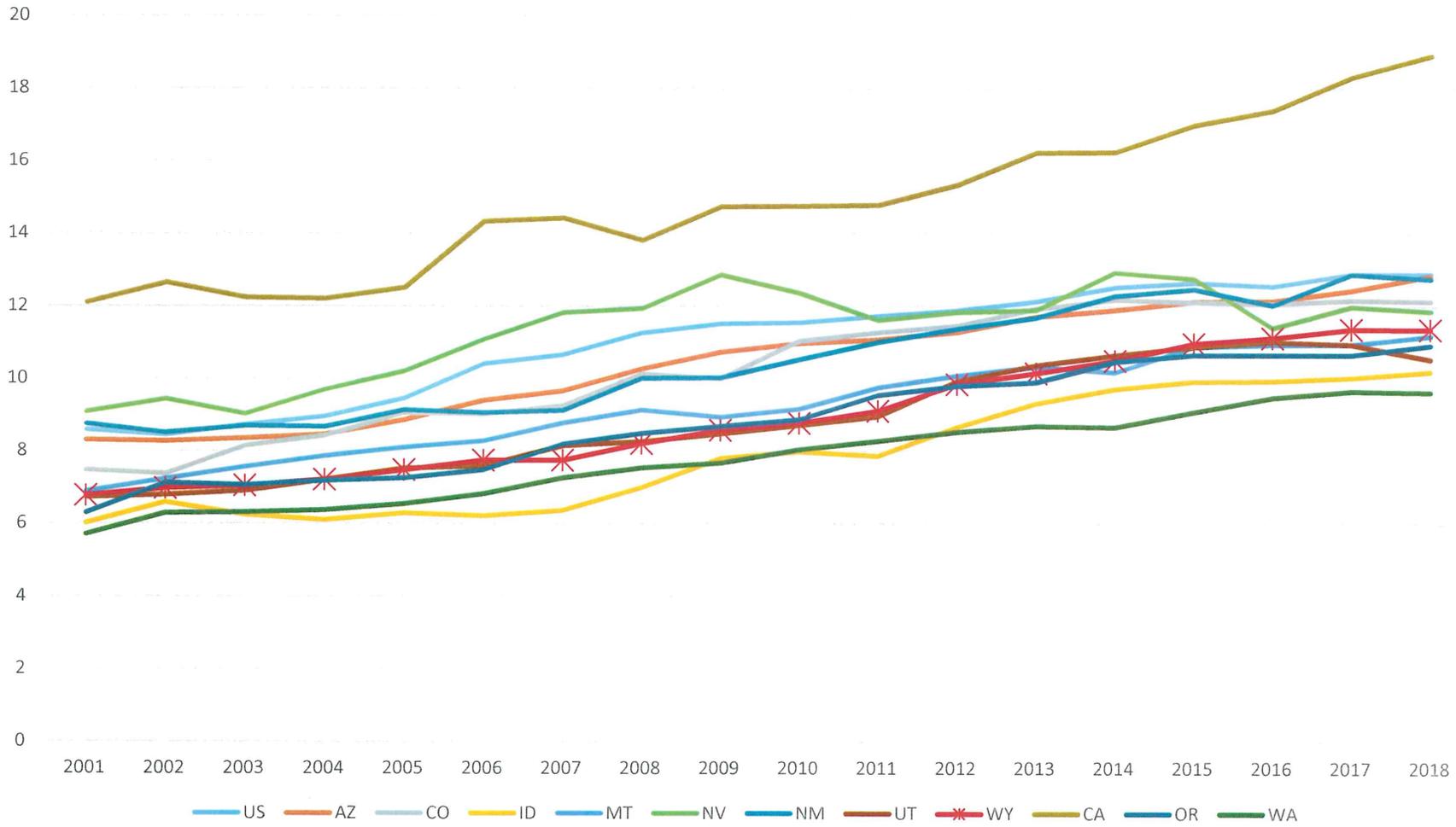
Wyoming Residential 2017 Average Rate ¢/kWh (PSC Data)

Average Rate = Revenues/kWh



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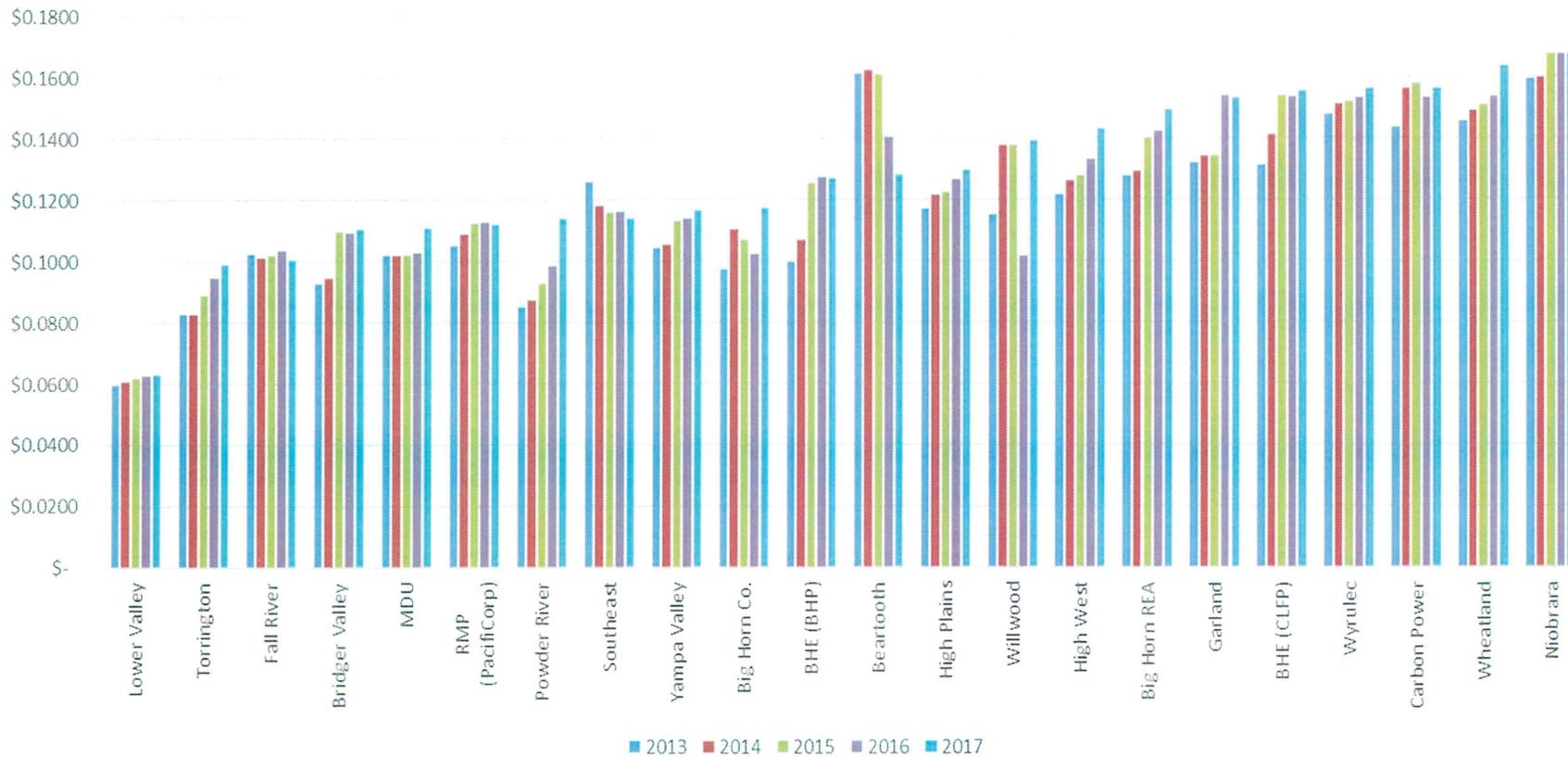
Residential Average ¢/kWh (EIA Data)



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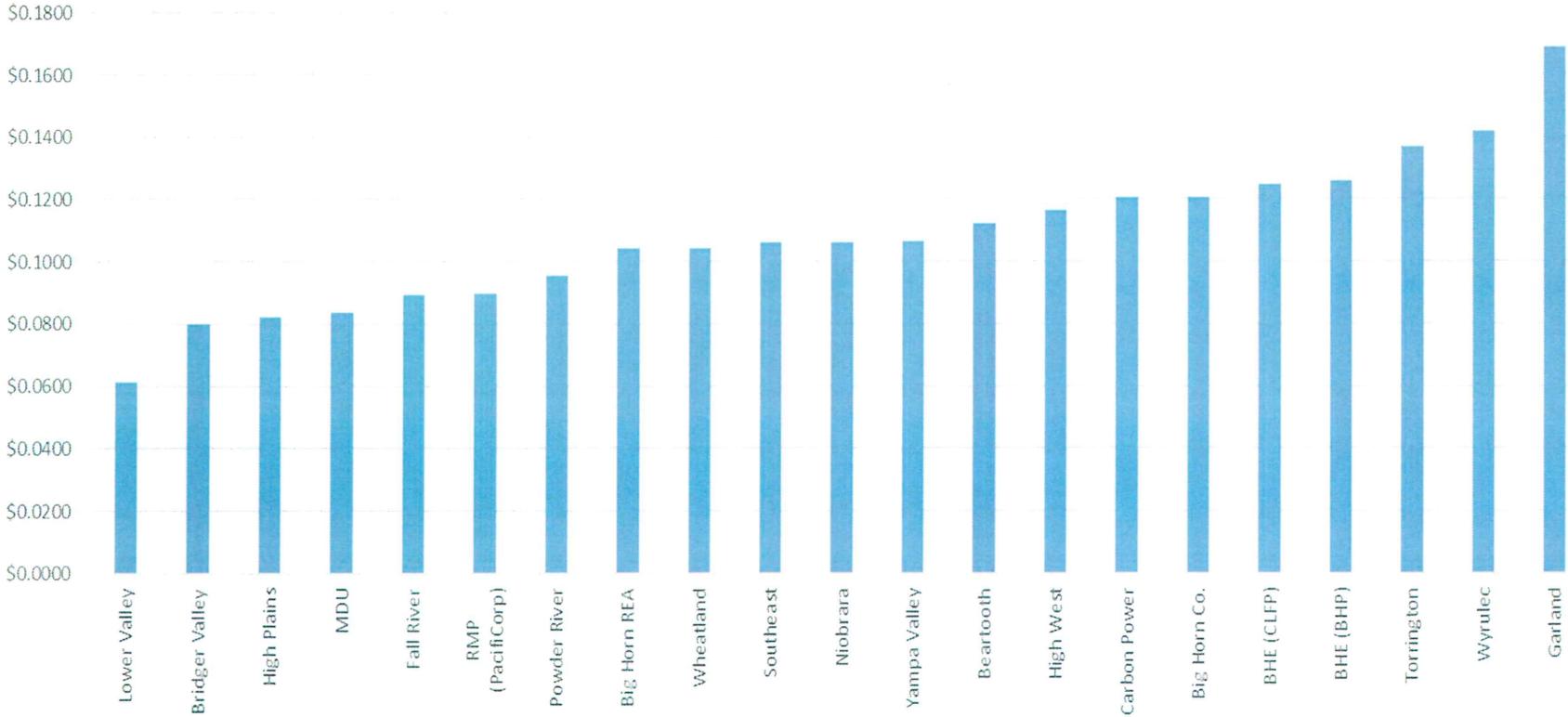
Wyoming Residential Average ¢/kWh (PSC Data)

Average Rate = Revenues/kWh



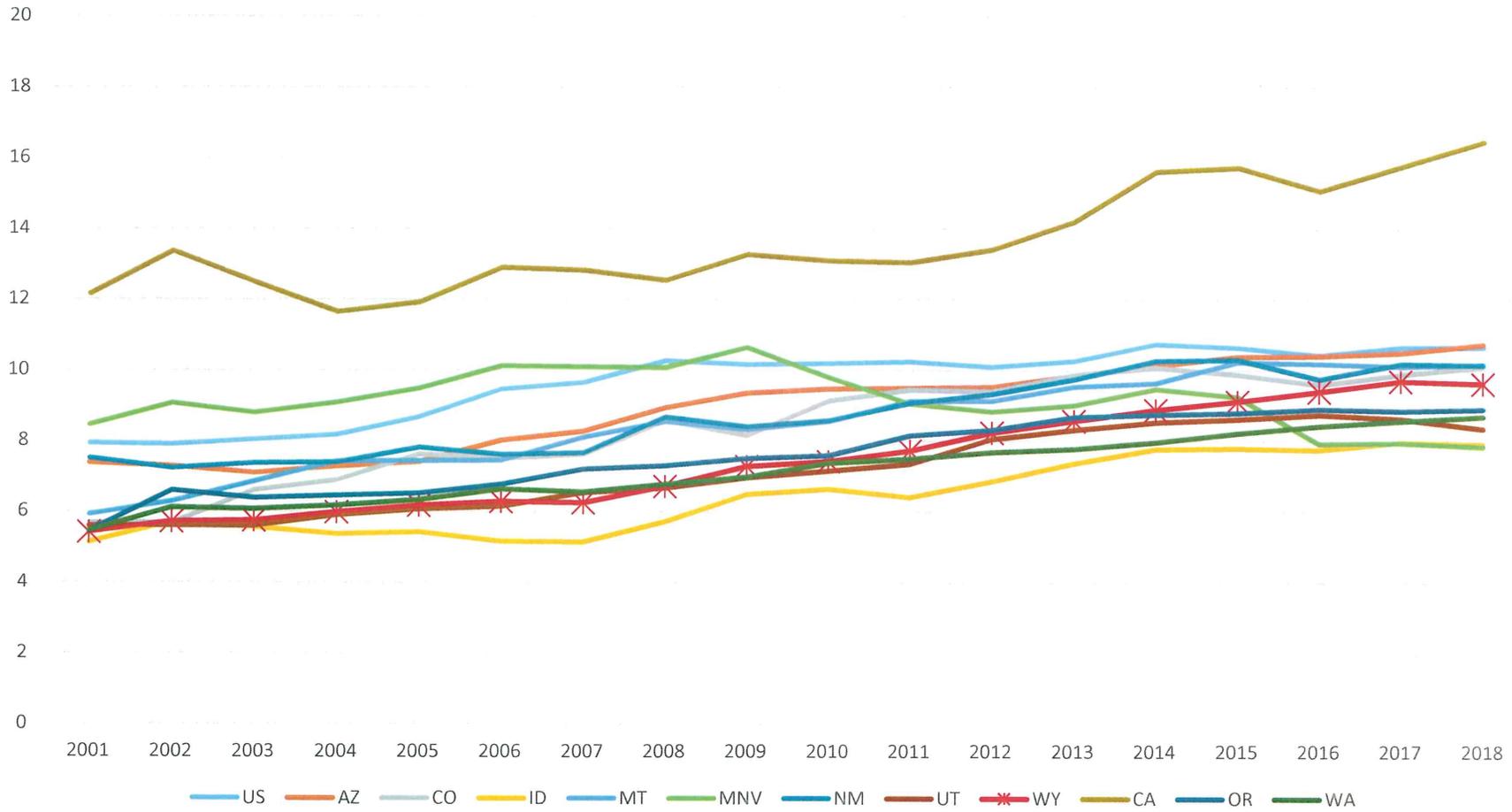
Wyoming Commercial 2017 Average ¢/kWh (PSC Data)

Average Rate = Revenues/kWh



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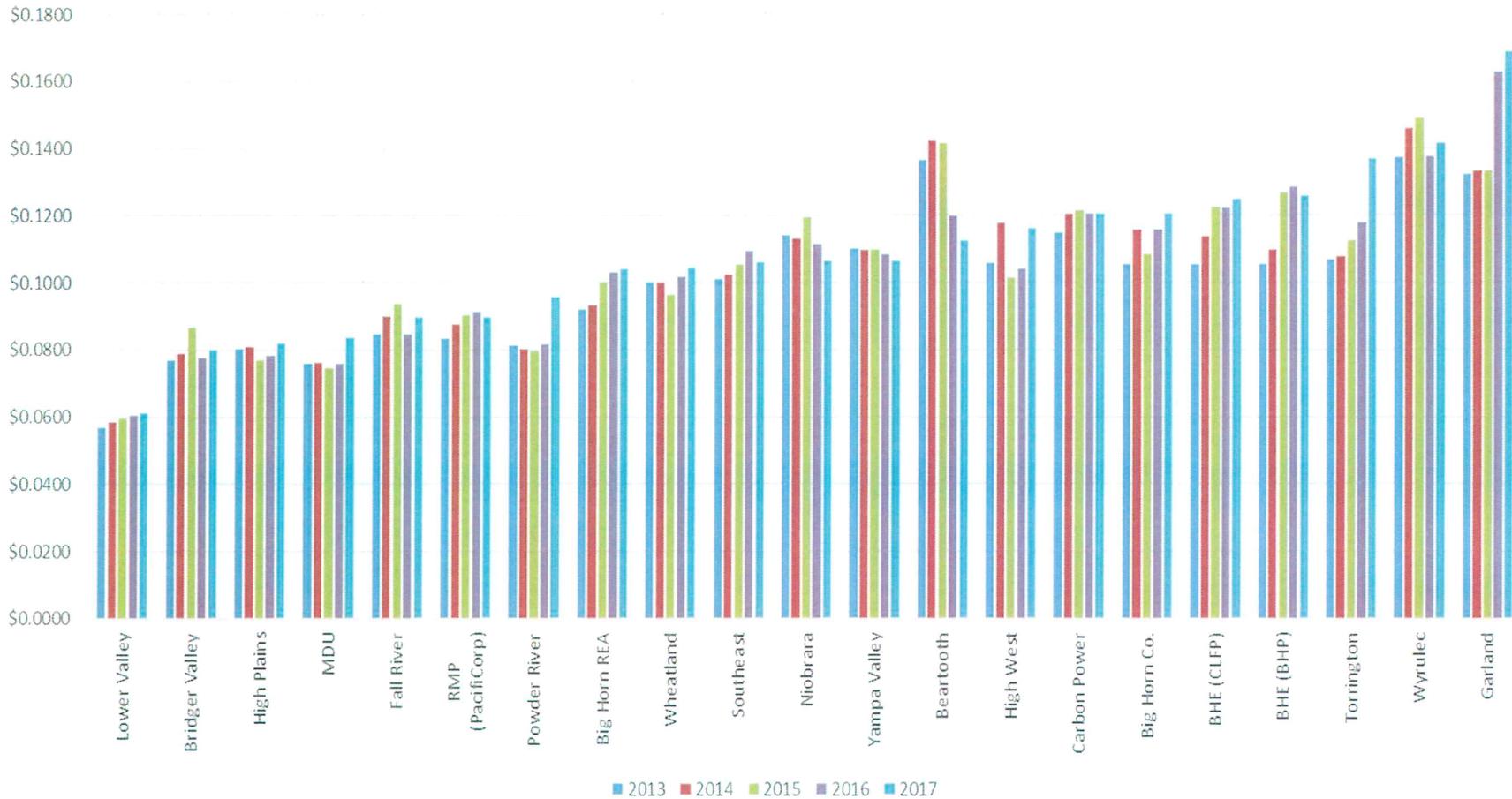
Commercial Average ¢/kWh (EIA Data)



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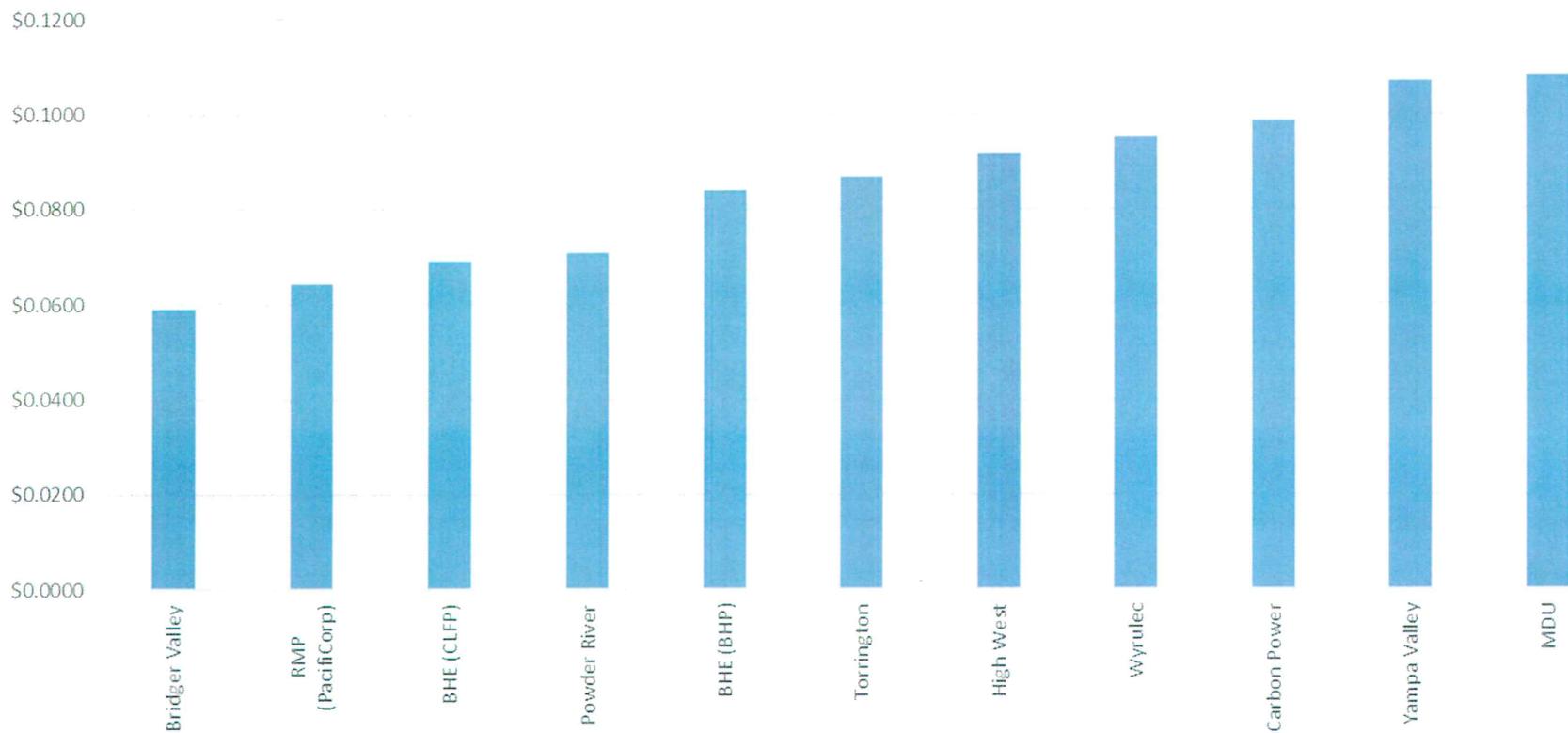
Wyoming Commercial Average ¢/kWh (PSC Data)

Average Rate = Revenues/kWh



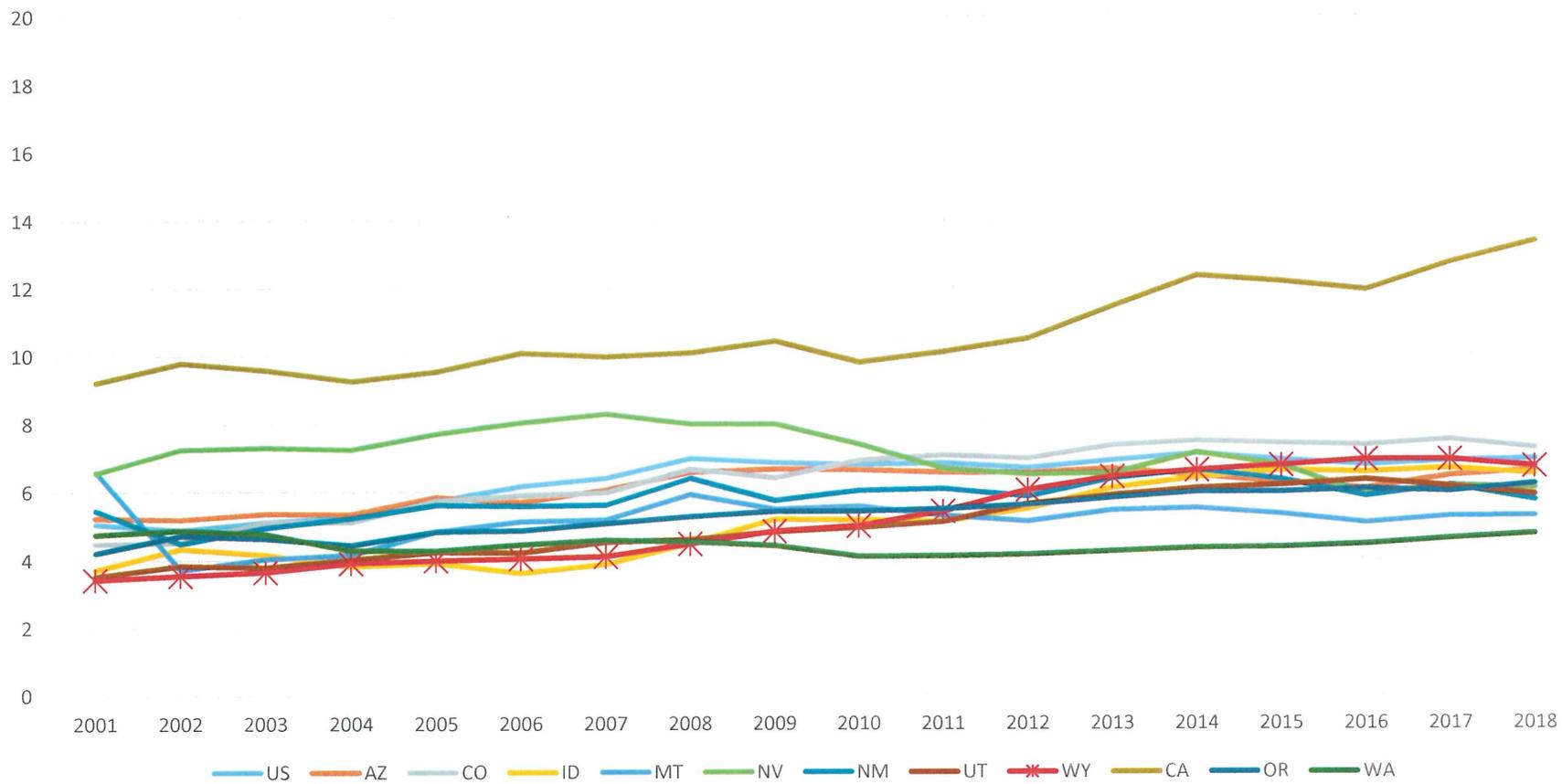
Wyoming Industrial 2017 Average ¢/kWh (PSC Data)

Average Rate = Revenues/kWh



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Industrial Average ¢/kWh (EIA Data)



Wyoming Industrial Average ¢/kWh (PSC Data)

Average Rate = Revenues/kWh



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