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RECEIVED

OCT 06 2014

**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**

September 30, 2014

Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, N.E.
Washington, D.C. 20426

Re: Cheyenne Light, Fuel and Power Company, Docket No. ER14-___-000

Dear Secretary Bose:

Cheyenne Light, Fuel and Power Company (“Cheyenne Light”) submits for filing with the Federal Energy Regulatory Commission (“FERC” or “Commission”) an attachment (“Attachment N”) to its Open Access Transmission Tariff (“OATT”) to establish the current Real Power Losses Factor for the Cheyenne Light transmission system. As further described below, at the time Cheyenne Light filed its baseline OATT and until recently, its OATT contained no rates, and its OATT contained placeholders to indicate provisions that were subject to future determination. Because Cheyenne Light anticipates providing transmission service under its OATT for the first time in the near future, Cheyenne Light recently filed, and the Commission accepted, amended OATT provisions that establish stated rates for transmission service.¹ However, a placeholder remains in the current OATT provisions at Sections 15.7 and 28.5 that reference the Real Power Losses Factor. The instant filing proposes to add Attachment N that will establish a Real Power Losses Factor of 0.32 percent for Cheyenne Light’s system. Cheyenne Light respectfully requests the Commission accept its proposed revised OATT for filing effective as of October 1, 2014, without hearing, and grant any waivers to the Section 35.13 requirements that the Commission may deem necessary.

I. Communications

All communications and service related to this filing should be directed to the following:

¹ *Cheyenne Light, Fuel & Power Co.*, Docket No. ER14-1425-000, (Apr. 25, 2014) (unpublished delegated letter order).

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II. Description of Cheyenne Light

Cheyenne Light, a wholly-owned subsidiary of Black Hills Corporation, is a vertically integrated public utility with its primary office in Cheyenne, Wyoming. Cheyenne Light is engaged in the business of generating, transmitting, and distributing electricity to approximately 40,500 electric customers in southeastern Wyoming. Cheyenne Light owns 25 miles of transmission lines (115kV and above) and participates in wholesale markets throughout the West. The Cheyenne Light system is completely surrounded by the transmission system of the Western Area Power Administration ("WAPA") and is located in WAPA's Colorado-Missouri Region balancing authority area. The limited transmission facilities owned by Cheyenne Light have been used exclusively to serve its retail load. There is no third party customer under the Cheyenne Light OATT and Cheyenne Light has received no requests for transmission services under the OATT.

III. Cheyenne Light Open Access Transmission Tariff

Cheyenne Light has a Commission-accepted OATT, initially accepted for filing by the Commission in Docket ER09-858-000, effective March 18, 2009.² In compliance with Order No. 714, Cheyenne Light's baseline OATT was filed in Docket Number ER13-119-000 on October 12, 2012. The Commission accepted the baseline OATT for filing, effective

² *Cheyenne Light, Fuel & Power Co.*, Docket No. ER09-858-000, (April 27, 2009) (unpublished delegated letter order).

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October 13, 2012, as requested.³ Cheyenne Light provides reactive power and voltage control service from its generation resources under a reactive power rate schedule accepted for filing in Docket No. ER09-1203-000.⁴ Other changes to comply with Commission requirements or to adopt revised *pro forma* OATT language have been filed by Cheyenne Light with the Commission.⁵

IV. Reason for the Proposed Tariff Changes

Cheyenne Light and its affiliate Black Hills Power, Inc. ("Black Hills Power") have recently completed construction of the Cheyenne Prairie Generation Station ("Cheyenne Prairie"), a jointly owned natural gas-fired generation unit with a nominal capacity of 132 MW net output located near Cheyenne, Wyoming. Although Cheyenne Light has not provided any transmission services to third parties under its OATT, Cheyenne Light anticipates that the Cheyenne Prairie generation facility will come on-line in the near future, and once it does, Cheyenne Light will provide transmission services under its OATT to both its affiliate, Black Hills Power and to itself. Accordingly, Cheyenne Light seeks to modify its OATT in order to establish a Real Power Losses Factor for Cheyenne Light's system.

V. Description of the Proposed Tariff Changes

Cheyenne Light respectfully requests that the Commission accept the Attachment N and related revisions to establish a Real Power Losses Factor to be effective on October 1,

³ *Cheyenne Light, Fuel & Power Co.*, Docket No. ER13-119-000 (Sept. 26, 2013) (unpublished delegated letter order).

⁴ *Cheyenne Light, Fuel & Power Co.*, Docket No. ER09-1203-000 (Apr. 27, 2009) (unpublished delegated letter order). While reactive power service is classified by the Commission for certain purposes as other transmission service, reactive power and control service is not related to the transmission service that Cheyenne Light proposes to provide under its OATT rates. *See* FERC Form 1—Electric Utility Annual Report, General Instructions IX, description of "OS" as the classification for "Other Transmission Service."

⁵ *See, e.g., Cheyenne Light, Fuel & Power Co.*, 148 FERC ¶ 61,213 (2014) (accepting for filing OATT amendments in compliance with Order No. 1000 transmission planning requirement and requiring additional compliance filings); *Cheyenne Light, Fuel & Power Co.*, Docket No. ER13-309-000 (Dec. 27, 2012) (unpublished delegated letter order) (accepting for filing provisions to assess unauthorized use penalties); *Cheyenne Light, Fuel & Power Co.*, Order No. 1000 Interregional Compliance Filing, Docket No. ER13-1471-000 (filed on May 10, 2013) (pending before the Commission); *Cheyenne Light, Fuel & Power Co.*, Docket No. ER13-2427-000 (Nov. 4, 2013) (unpublished delegated letter order) (accepting for filing revised Attachment K in compliance with Order No. 1000); *Cheyenne Light, Fuel & Power Co.*, Docket No. ER14-382-000 (Jan. 13, 2014) (unpublished delegated letter order) (accepting for filing OATT amendments in conformance with Order No. 764); *Cheyenne Light, Fuel & Power Co.*, Order No. 784 OATT Compliance Filing, Docket No. ER14-798-000 (filed on Dec. 20, 2013) (pending before the Commission); *Cheyenne Light, Fuel & Power Co.*, Order No. 792 OATT Compliance Filing, Docket No. ER14-2589-000 (filed on Aug. 4, 2014) (pending before the Commission) and *Cheyenne Light, Fuel and Power Co.*, Docket No. ER14-1425-000 (Apr. 25, 2014) (unpublished delegated letter order) (accepting OATT rates for transmission service).

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2014. Cheyenne Light proposes to establish the Real Power Losses Factor based on a System Losses Analysis prepared by Black Hills Corporation in 2013. The System Losses Analysis consisted of three methods for calculating losses, and resulted in an average loss factor of 0.32 percent. The System Losses Analysis is included in this filing as Attachment C.

VI. Filing Requirements of Section 35.13

Cheyenne Light submits this filing as a change in rates under Commission Rule 35.13. However, because Cheyenne Light's currently effective OATT contains placeholders at the relevant sections referencing Real Power Losses and because Cheyenne Light currently has no customers under the OATT and no entity takes service under the OATT, not all subparts of Rule 35.13 are relevant to Cheyenne Light's filing. To the extent that the Commission deems that this filing does not meet certain of those requirements, Cheyenne Light respectfully requests that, considering the specific circumstances, the Commission waive such requirements.

a. Documents Submitted with the Tariff Change – Section 35.13(b)(3)

This filing includes the following materials:

1. This transmittal letter;
2. Redlined Version of Cheyenne Light's OATT, Sections 15.7 and 28.5, and Attachment N (Attachment A);
3. Clean Version of Cheyenne Light's OATT, Sections 15.7 and 28.5, and Attachment N (Attachment B); and
4. Black Hills Corporation's System Losses Analysis (Attachment C).

b. Date on Which the Utility Proposes to Make the Tariff Change Effective – Section 35.13(b)(2)

Cheyenne Light requests an effective date of October 1, 2014.

c. The Names and Addresses of Persons to Whom a Copy of the Tariff Change Has Been Posted – Section 35.13(b)(3)

There are currently no customers under the OATT. The names and addresses of the persons to whom a copy of this filing has been posted are identified below:

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Wyoming Public Service Commission
Office of Consumer Advocate
Hansen Building
2515 Warren Ave. Suite 300
Cheyenne, WY 82002

Wyoming Public Service Commission
Chris Petrie, Chief Counsel
Hansen Building
2515 Warren Ave. Suite 300
Cheyenne, WY 82002

South Dakota Public Utilities Commission
Capitol Building, First Floor
500 East Capitol Ave.
Pierre, SD 57501

d. Brief Description of the Proposal – Section 35.13(b)(4)

See supra Section V.

e. Statement of the Reasons for the Tariff Change – Section 35.13(b)(5)

See supra Section IV.

**f. Showing Regarding Requisite Agreement to the Tariff Change –
Section 35.13(b)(6)**

In this instance, the requirement to obtain agreement to the tariff changes and rates proposed is not applicable because Cheyenne Light currently has no customers under the OATT and no entity takes service under the OATT. Prospectively, in connection with Cheyenne Prairie coming on-line, Cheyenne Light will take network transmission service under the OATT and Black Hills Power will take firm point-to-point transmission service under the OATT. Other than Black Hills Power and Cheyenne Light, no other customers are anticipated to take service under the OATT. To the extent that other customers do seek transmission service, Cheyenne Light will provide service pursuant to the terms and conditions of the OATT that provide open access to any eligible customer.

**g. Information Relating to the Tariff Change and Proposed Rate – Section
35.13(c)**

The information required by Section 35.13(c) relate to revenues under the proposed rate change. Similar to the explanation above, in this instance, the requirement for information related to revenues under the proposed Attachment N is not applicable.

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VII. Waiver Request

Cheyenne Light is submitting this information to support the proposed establishment of a Real Power Losses Factor, which modify Cheyenne Light's OATT, without condition, modification, or hearing. To the extent necessary, however, Cheyenne Light respectfully requests that the Commission waive any filing requirements contained in 18 C.F.R. Part 35 not met by this filing, including its prior notice requirement in 18 C.F.R. § 35.3(a)(1) to permit Attachment N and the related revisions to Sections 15.7 and 28.5 to become effective on October 1, 2014. Good cause exists for granting the waiver of the prior notice requirement because, among other things, no entity takes service under the OATT and the proposed filing will ensure that Cheyenne Light's OATT contains an established Real Power Losses Factor for upcoming OATT service anticipated to begin in the near future.

VIII. Conclusion

Cheyenne Light, accordingly, requests that the Commission accept the Attachment N Real Power Losses Factor and related revisions, as described in this document for filing, effective October 1, 2014, without condition, modification, or hearing-type proceedings.

Very truly yours,

Catherine P. McCarthy
Seth T. Lucia

Counsel to Cheyenne Light, Fuel and Power Company

ATTACHMENT A

Cheyenne Light, Fuel and Power Company

Open Access Transmission Tariff

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- 15.2 Determination of Available Transfer Capability:** A description of the Transmission Provider's specific methodology for assessing available transfer capability posted on the Transmission Provider's OASIS (Section 4) is contained in Attachment C of the Tariff. In the event sufficient transfer capability may not exist to accommodate a service request, the Transmission Provider will respond by performing a System Impact Study.
- 15.3 Initiating Service in the Absence of an Executed Service Agreement:** If the Transmission Provider and the Transmission Customer requesting Firm or Non-Firm Point-To-Point Transmission Service cannot agree on all the terms and conditions of the Point-To-Point Service Agreement, the Transmission Provider shall file with the Commission, within thirty (30) days after the date the Transmission Customer provides written notification directing the Transmission Provider to file, an unexecuted Point-To-Point Service Agreement containing terms and conditions deemed appropriate by the Transmission Provider for such requested Transmission Service. The Transmission Provider shall commence providing Transmission Service subject to the Transmission Customer agreeing to (i) compensate the Transmission Provider at whatever rate the Commission ultimately determines to be just and reasonable, and (ii) comply with the terms and

conditions of the Tariff including posting appropriate security deposits in accordance with the terms of Section 17.3.

15.4 Obligation to Provide Transmission Service that Requires Expansion or Modification of the Transmission System, Redispatch or Conditional Curtailment:

- (a) If the Transmission Provider determines that it cannot accommodate a Completed Application for Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider will use due diligence to expand or modify its Transmission System to provide the requested Firm Transmission Service, consistent with its planning obligations in Attachment K, provided the Transmission Customer agrees to compensate the Transmission Provider for such costs pursuant to the terms of Section 27. The Transmission Provider will conform to Good Utility Practice and its planning obligations in Attachment K, in determining the need for new facilities and in the design and construction of such facilities. The obligation applies only to those facilities that the Transmission Provider has the right to expand or modify.
- (b) If the Transmission Provider determines that it cannot accommodate a Completed Application for Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider will use due diligence to provide redispatch from its own resources until (i) Network Upgrades are completed for the

Transmission Customer, (ii) the Transmission Provider determines through a biennial reassessment that it can no longer reliably provide the redispatch, or (iii) the Transmission Customer terminates the service because of redispatch changes resulting from the reassessment. A Transmission Provider shall not unreasonably deny self-provided redispatch or redispatch arranged by the Transmission Customer from a third party resource.

- (c) If the Transmission Provider determines that it cannot accommodate a Completed Application for Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider will offer the Firm Transmission Service with the condition that the Transmission Provider may curtail the service prior to the curtailment of other Firm Transmission Service for a specified number of hours per year or during System Condition(s). If the Transmission Customer accepts the service, the Transmission Provider will use due diligence to provide the service until (i) Network Upgrades are completed for the Transmission Customer, (ii) the Transmission Provider determines through a biennial reassessment that it can no longer reliably provide such service, or (iii) the Transmission Customer terminates the service because the reassessment increased the number of hours per year of conditional curtailment or changed the System Conditions.

15.5 Deferral of Service: The Transmission Provider may defer providing service until it completes construction of new transmission facilities or upgrades

needed to provide Firm Point-To-Point Transmission Service whenever the Transmission Provider determines that providing the requested service would, without such new facilities or upgrades, impair or degrade reliability to any existing firm services.

15.6 Other Transmission Service Schedules: Eligible Customers receiving transmission service under other agreements on file with the Commission may continue to receive transmission service under those agreements until such time as those agreements may be modified by the Commission.

15.7 Real Power Losses: Real Power Losses are associated with all transmission service. The Transmission Provider is not obligated to provide Real Power Losses. The Transmission Customer is responsible for replacing losses associated with all transmission service as calculated by the Transmission Provider. The applicable Real Power Loss factors are as follows: established in Attachment N.

Loss Factor (%)

To be determined

28 Nature of Network Integration Transmission Service

28.1 Scope of Service: Network Integration Transmission Service is a transmission service that allows Network Customers to efficiently and economically utilize their Network Resources (as well as other non-designated generation resources) to serve their Network Load located in the Transmission Provider's Control Area and any additional load that may be designated pursuant to Section 31.3 of the Tariff. The Network Customer taking Network Integration Transmission Service must obtain or provide Ancillary Services pursuant to Section 3.

28.2 Transmission Provider Responsibilities: The Transmission Provider will plan, construct, operate and maintain its Transmission System in accordance with Good Utility Practice and its planning obligations in Attachment K in order to provide the Network Customer with Network Integration Transmission Service over the Transmission Provider's Transmission System. The Transmission Provider, on behalf of its Native Load Customers, shall be required to designate resources and loads in the same manner as any Network Customer under Part III of this Tariff. This information must be consistent with the information used by the Transmission Provider to calculate available transfer capability. The Transmission Provider shall include the Network Customer's Network Load in its Transmission System planning and shall, consistent with Good Utility Practice and Attachment K, endeavor to construct and place into service sufficient transfer capability to deliver the Network Customer's Network Resources to serve its Network Load on a basis comparable to the Transmission Provider's delivery of its own generating and purchased resources to its Native Load Customers.

28.3 Network Integration Transmission Service: The Transmission Provider will provide firm transmission service over its Transmission System to the Network Customer for the delivery of capacity and energy from its designated Network Resources to service its Network Loads on a basis that is comparable to the Transmission Provider's use of the Transmission System to reliably serve its Native Load Customers.

28.4 Secondary Service: The Network Customer may use the Transmission Provider's Transmission System to deliver energy to its Network Loads from resources that have not been designated as Network Resources. Such energy shall be transmitted, on an as-available basis, at no additional charge. Secondary service shall not require the filing of an Application for Network Integration Transmission Service under the Tariff. However, all other requirements of Part III of the Tariff (except for transmission rates) shall apply to secondary service. Deliveries from resources other than Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service under Part II of the Tariff.

28.5 Real Power Losses: Real Power Losses are associated with all transmission service. The Transmission Provider is not obligated to provide Real Power Losses. The Network Customer is responsible for replacing losses associated with all transmission service as calculated by the Transmission Provider. The applicable Real Power Loss factors are as follows: established in Attachment N.

Loss Factor (%)

To be determined

28.6 Restrictions on Use of Service: The Network Customer shall not use Network Integration Transmission Service for (i) sales of capacity and energy to non-designated loads, or (ii) direct or indirect provision of transmission service by the Network Customer to third parties. All Network Customers taking Network Integration Transmission Service shall use Point-To-Point Transmission Service under Part II of the Tariff for any Third-Party Sale which requires use of the Transmission Provider's Transmission System. The Transmission Provider shall specify any appropriate charges and penalties and all related terms and conditions applicable in the event that a Network Customer uses Network Integration Transmission Service or secondary service pursuant to Section 28.4 to facilitate a wholesale sale that does not serve a Network Load.

ATTACHMENT B

Cheyenne Light, Fuel and Power Company

Open Access Transmission Tariff

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- 15.1 General Conditions:** The Transmission Provider will provide Firm and Non-Firm Point-To-Point Transmission Service over, on or across its Transmission System to any Transmission Customer that has met the requirements of Section 16.
- 15.2 Determination of Available Transfer Capability:** A description of the Transmission Provider's specific methodology for assessing available transfer capability posted on the Transmission Provider's OASIS (Section 4) is contained in Attachment C of the Tariff. In the event sufficient transfer capability may not exist to accommodate a service request, the Transmission Provider will respond by performing a System Impact Study.
- 15.3 Initiating Service in the Absence of an Executed Service Agreement:** If the Transmission Provider and the Transmission Customer requesting Firm or Non-Firm Point-To-Point Transmission Service cannot agree on all the terms and conditions of the Point-To-Point Service Agreement, the Transmission Provider shall file with the Commission, within thirty (30) days after the date the Transmission Customer provides written notification directing the Transmission Provider to file, an unexecuted Point-To-Point Service Agreement containing terms and conditions deemed appropriate by the Transmission Provider for such requested Transmission Service. The Transmission Provider shall commence providing Transmission Service subject to the Transmission Customer agreeing to (i) compensate the Transmission Provider at whatever rate the Commission ultimately determines to be just and reasonable, and (ii) comply with the terms and

conditions of the Tariff including posting appropriate security deposits in accordance with the terms of Section 17.3.

15.4 Obligation to Provide Transmission Service that Requires Expansion or Modification of the Transmission System, Redispatch or Conditional Curtailment:

- (a) If the Transmission Provider determines that it cannot accommodate a Completed Application for Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider will use due diligence to expand or modify its Transmission System to provide the requested Firm Transmission Service, consistent with its planning obligations in Attachment K, provided the Transmission Customer agrees to compensate the Transmission Provider for such costs pursuant to the terms of Section 27. The Transmission Provider will conform to Good Utility Practice and its planning obligations in Attachment K, in determining the need for new facilities and in the design and construction of such facilities. The obligation applies only to those facilities that the Transmission Provider has the right to expand or modify.
- (b) If the Transmission Provider determines that it cannot accommodate a Completed Application for Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider will use due diligence to provide redispatch from its own resources until (i) Network Upgrades are completed for the

Transmission Customer, (ii) the Transmission Provider determines through a biennial reassessment that it can no longer reliably provide the redispatch, or (iii) the Transmission Customer terminates the service because of redispatch changes resulting from the reassessment. A Transmission Provider shall not unreasonably deny self-provided redispatch or redispatch arranged by the Transmission Customer from a third party resource.

- (c) If the Transmission Provider determines that it cannot accommodate a Completed Application for Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider will offer the Firm Transmission Service with the condition that the Transmission Provider may curtail the service prior to the curtailment of other Firm Transmission Service for a specified number of hours per year or during System Condition(s). If the Transmission Customer accepts the service, the Transmission Provider will use due diligence to provide the service until (i) Network Upgrades are completed for the Transmission Customer, (ii) the Transmission Provider determines through a biennial reassessment that it can no longer reliably provide such service, or (iii) the Transmission Customer terminates the service because the reassessment increased the number of hours per year of conditional curtailment or changed the System Conditions.

15.5 Deferral of Service: The Transmission Provider may defer providing service until it completes construction of new transmission facilities or upgrades

needed to provide Firm Point-To-Point Transmission Service whenever the Transmission Provider determines that providing the requested service would, without such new facilities or upgrades, impair or degrade reliability to any existing firm services.

15.6 Other Transmission Service Schedules: Eligible Customers receiving transmission service under other agreements on file with the Commission may continue to receive transmission service under those agreements until such time as those agreements may be modified by the Commission.

15.7 Real Power Losses: Real Power Losses are associated with all transmission service. The Transmission Provider is not obligated to provide Real Power Losses. The Transmission Customer is responsible for replacing losses associated with all transmission service as calculated by the Transmission Provider. The applicable Real Power Loss factors are established in Attachment N.

28 Nature of Network Integration Transmission Service

28.1 Scope of Service: Network Integration Transmission Service is a transmission service that allows Network Customers to efficiently and economically utilize their Network Resources (as well as other non-designated generation resources) to serve their Network Load located in the Transmission Provider's Control Area and any additional load that may be designated pursuant to Section 31.3 of the Tariff. The Network Customer taking Network Integration Transmission Service must obtain or provide Ancillary Services pursuant to Section 3.

28.2 Transmission Provider Responsibilities: The Transmission Provider will plan, construct, operate and maintain its Transmission System in accordance with Good Utility Practice and its planning obligations in Attachment K in order to provide the Network Customer with Network Integration Transmission Service over the Transmission Provider's Transmission System. The Transmission Provider, on behalf of its Native Load Customers, shall be required to designate resources and loads in the same manner as any Network Customer under Part III of this Tariff. This information must be consistent with the information used by the Transmission Provider to calculate available transfer capability. The Transmission Provider shall include the Network Customer's Network Load in its Transmission System planning and shall, consistent with Good Utility Practice and Attachment K, endeavor to construct and place into service sufficient transfer capability to deliver the Network Customer's Network Resources to serve its Network Load on a basis comparable to the Transmission Provider's delivery of its own generating and purchased resources to its Native Load Customers.

28.3 Network Integration Transmission Service: The Transmission Provider will provide firm transmission service over its Transmission System to the Network Customer for the delivery of capacity and energy from its designated Network Resources to service its Network Loads on a basis that is comparable to the Transmission Provider's use of the Transmission System to reliably serve its Native Load Customers.

28.4 Secondary Service: The Network Customer may use the Transmission Provider's Transmission System to deliver energy to its Network Loads from resources that have not been designated as Network Resources. Such energy shall be transmitted, on an as-available basis, at no additional charge. Secondary service shall not require the filing of an Application for Network Integration Transmission Service under the Tariff. However, all other requirements of Part III of the Tariff (except for transmission rates) shall apply to secondary service. Deliveries from resources other than Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service under Part II of the Tariff.

28.5 Real Power Losses: Real Power Losses are associated with all transmission service. The Transmission Provider is not obligated to provide Real Power Losses. The Network Customer is responsible for replacing losses associated with all transmission service as calculated by the Transmission Provider. The applicable Real Power Loss factors are established in Attachment N.

28.6 Restrictions on Use of Service: The Network Customer shall not use Network Integration Transmission Service for (i) sales of capacity and energy to

non-designated loads, or (ii) direct or indirect provision of transmission service by the Network Customer to third parties. All Network Customers taking Network Integration Transmission Service shall use Point-To-Point Transmission Service under Part II of the Tariff for any Third-Party Sale which requires use of the Transmission Provider's Transmission System. The Transmission Provider shall specify any appropriate charges and penalties and all related terms and conditions applicable in the event that a Network Customer uses Network Integration Transmission Service or secondary service pursuant to Section 28.4 to facilitate a wholesale sale that does not serve a Network Load.

ATTACHMENT N

Real Power Losses

Real Power Losses are 0.32%.

ATTACHMENT C



2013 SYSTEM LOSSES ANALYSIS

PREPARED BY

BLACK HILLS CORPORATION

TRANSMISSION & DISTRIBUTION PLANNING

July 29, 2013

Transmission System Losses

The Cheyenne Light Fuel and Power (CLFP) transmission system loss analysis was focused on primarily the 115kV transmission system which is depicted by the area between the top two 115kV buses as shown in Figure 1.

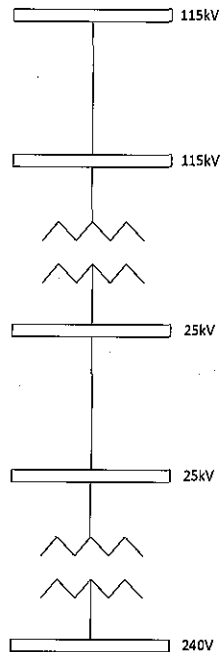


Figure 1: Simplified Transmission/Distribution System

The transmission loss study consisted of three methods for calculating losses. The first method was using the PSS/E commercial software. CLFP loads were scaled to a total 2012 peak demand level of 187 MW. Losses were calculated by obtaining flows at both ends of a particular CLFP transmission line and adding them together to find the loss value of each transmission line. This method of calculating losses is dependent on the transmission system topology, load levels, and modeling data.

The second method of determining losses used actual system data. Once the total actual power loss value was determined, it was divided by the total CLFP system demand value to obtain the demand loss factor (Equation 1). The second method for calculating losses from actual system data was similar to the first by polling flows at each end of the transmission line from the SCADA database, summing the flows, and then determining a loss factor.

Equation 1

$$Loss\ Factor_{demand} (\%) = \frac{MW\ Losses}{Yearly\ Peak\ Demand} * 100$$

The third method of calculating losses converted the first method's transmission loss value to energy and then divided it by CLFP's annual energy (Equation 2). The 2012 annual energy usage was 1,156,673 MWh.

$$\text{Equation 2} \quad \text{Loss Factor}_{\text{energy}} (\%) = \frac{\text{MW Losses} * \text{Hours in a year}}{\text{MWh Annual Energy}} * 100$$

The loss factor calculations for method 1 and method 3 were repeated using an adjusted load equal to 80% of the 2012 system peak demand (see Equation 3). The 2012 average daily peak demand was 149 MW.

$$\text{Equation 3} \quad \text{Load Factor} (\%) = \frac{\text{Average Daily Peak Demand}}{\text{Yearly Peak Demand}} * 100 = 80\%$$

The process as described resulted in a loss factors based on peak demand, adjusted demand, peak energy, and adjusted energy. The loss factor averages are as follows:

$$\text{Average Loss Factor}_{\text{demand}} = 0.29\%$$

$$\text{Average Loss Factor}_{\text{energy}} = 0.32\%$$

The results from all three loss calculation methods were found to be within 30% of each other.

Distribution System Losses

The scope of the distribution system loss study is to give a reasonable estimate of losses of the Cheyenne Distribution Electric System. The Cheyenne Light Fuel and Power loss study on the distribution side focused on computing total system losses at the substation transformer, distribution line, distribution transformer and secondary. This breakdown attempts to separate loss components at different points of service. The Cheyenne Light Fuel and Power loss study was modeled within Milsofts WindMil Engineering Analysis program.

Distribution Substation Transformers

Losses were calculated from reviewing data from the factory test sheets from each transformer and then scaled with the average usage. Each substation XFMR loss calculation was summed to provide the total distribution substation transformer loss for Cheyenne.

$$\text{Sub XFMR Loss (\%)} = \text{No Load Loss} + \text{Full Load Loss} * \frac{\text{2012 Peak Demand}}{\text{XFMR Capacity}} * \text{Avg Load Factor}$$

Distribution Line

The Cheyenne system was modeled using 2012 peak numbers and distribution line losses were calculated from peak loading using WindMil. An annual load factor of 80% was applied to the peak distribution line losses. Calculation subtotals were performed and then summed up to provide the total distribution system line losses for Cheyenne.

Distribution Transformers

The Cheyenne system was modeled using 2012 peak numbers and distribution transformer losses were calculated from peak loading using WindMil. Loading data from transformers was analyzed and average usage was found to be 14%. This modified loss information was input to WindMil and loss calculations were performed. Calculation subtotals were performed and then summed up to provide the total distribution transformer losses for Cheyenne.

$$\text{Dist XFMR Loss (\%)} = \text{No Load Loss} + \text{Full Load Loss} * \text{Avg Usage Factor}$$

Secondary

A typical secondary installation was modeled and losses were calculated using WindMil. The secondary loss was multiplied by the average number of customers in 2012 to provide an estimate of total secondary losses on the Cheyenne system.

Summary Table of Cheyenne Light Fuel & Power – Distribution System Losses

Loss Component	Adjusted Loss (kW)	% loss
Distribution Sub Transformers	394	0.21%
Distribution Lines	3765	2.01%
Distribution Transformers	2071	1.11%
Secondary Services	91	0.05%

FERC rendition of the electronically filed tariff records in Docket No. ER14-02973-000

Filing Data:

CID: C001454

Filing Title: OATT - Real Power Losses Factor

Company Filing Identifier: 470

Type of Filing Code: 10

Associated Filing Identifier:

Tariff Title: Open Access Transmission Tariff

Tariff ID: 2

Payment Confirmation:

Suspension Motion:

Tariff Record Data:

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Section 0, Title and Table of Contents, 1.0.0, A

Record Narrative Name:

Tariff Record ID: 1

Tariff Record Collation Value: 1000 Tariff Record Parent Identifier: 0

Proposed Date: 2014-10-01

Priority Order: 520

Record Change Type: CHANGE

Record Content Type: 1

Associated Filing Identifier:

Cheyenne Light, Fuel and Power Company

Open Access Transmission Tariff

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III. NETWORK INTEGRATION TRANSMISSION SERVICE

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SCHEDULE 5

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SCHEDULE 6

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SCHEDULE 7

Long-Term Firm and Short-Term Firm Point-To-Point Transmission Service

SCHEDULE 8

Non-Firm Point-To-Point Transmission Service

SCHEDULE 9

Generator Imbalance Service

ATTACHMENT A

Form Of Service Agreement For Firm Point-To-Point Transmission Service

ATTACHMENT A-1

Form Of Service Agreement For The Resale, Reassignment Or Transfer Of Long-Term Firm Point-To-Point Transmission Service

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Form Of Service Agreement For Non-Firm Point-To-Point Transmission Service

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ATTACHMENT N

Real Power Losses

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Section II.15, Service Availability, 1.0.0, A

Record Narrative Name:

Tariff Record ID: 17

Tariff Record Collation Value: 17000 Tariff Record Parent Identifier: 0

Proposed Date: 2014-10-01

Priority Order: 520

Record Change Type: CHANGE

Record Content Type: 1

Associated Filing Identifier:

15 Service Availability

15.1 General Conditions: The Transmission Provider will provide Firm and Non-Firm Point-To-Point Transmission Service over, on or across its Transmission System to any Transmission Customer that has met the requirements of Section 16.

15.2 Determination of Available Transfer Capability: A description of the Transmission Provider's specific methodology for assessing available transfer capability posted on the Transmission Provider's OASIS (Section 4) is contained in Attachment C of the Tariff. In the event sufficient transfer capability may not exist to accommodate a service request, the Transmission Provider will

respond by performing a System Impact Study.

15.3 Initiating Service in the Absence of an Executed Service Agreement: If the Transmission Provider and the Transmission Customer requesting Firm or Non-Firm Point-To-Point Transmission Service cannot agree on all the terms and conditions of the Point-To-Point Service Agreement, the Transmission Provider shall file with the Commission, within thirty (30) days after the date the Transmission Customer provides written notification directing the Transmission Provider to file, an unexecuted Point-To-Point Service Agreement containing terms and conditions deemed appropriate by the Transmission Provider for such requested Transmission Service. The Transmission Provider shall commence providing Transmission Service subject to the Transmission Customer agreeing to (i) compensate the Transmission Provider at whatever rate the Commission ultimately determines to be just and reasonable, and (ii) comply with the terms and conditions of the Tariff including posting appropriate security deposits in accordance with the terms of Section 17.3.

15.4 Obligation to Provide Transmission Service that Requires Expansion or Modification of the Transmission System, Redispatch or Conditional Curtailment:

- (a) If the Transmission Provider determines that it cannot accommodate a Completed Application for Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider will use due diligence to expand or modify its Transmission System to provide the requested Firm Transmission

Service, consistent with its planning obligations in Attachment K, provided the Transmission Customer agrees to compensate the Transmission Provider for such costs pursuant to the terms of Section 27. The Transmission Provider will conform to Good Utility Practice and its planning obligations in Attachment K, in determining the need for new facilities and in the design and construction of such facilities. The obligation applies only to those facilities that the Transmission Provider has the right to expand or modify.

- (b) If the Transmission Provider determines that it cannot accommodate a Completed Application for Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the Transmission Provider will use due diligence to provide redispatch from its own resources until (i) Network Upgrades are completed for the Transmission Customer, (ii) the Transmission Provider determines through a biennial reassessment that it can no longer reliably provide the redispatch, or (iii) the Transmission Customer terminates the service because of redispatch changes resulting from the reassessment. A Transmission Provider shall not unreasonably deny self-provided redispatch or redispatch arranged by the Transmission Customer from a third party resource.
- (c) If the Transmission Provider determines that it cannot accommodate a Completed Application for Firm Point-To-Point Transmission Service because of insufficient capability on its Transmission System, the

Transmission Provider will offer the Firm Transmission Service with the condition that the Transmission Provider may curtail the service prior to the curtailment of other Firm Transmission Service for a specified number of hours per year or during System Condition(s). If the Transmission Customer accepts the service, the Transmission Provider will use due diligence to provide the service until (i) Network Upgrades are completed for the Transmission Customer, (ii) the Transmission Provider determines through a biennial reassessment that it can no longer reliably provide such service, or (iii) the Transmission Customer terminates the service because the reassessment increased the number of hours per year of conditional curtailment or changed the System Conditions.

- 15.5 Deferral of Service:** The Transmission Provider may defer providing service until it completes construction of new transmission facilities or upgrades needed to provide Firm Point-To-Point Transmission Service whenever the Transmission Provider determines that providing the requested service would, without such new facilities or upgrades, impair or degrade reliability to any existing firm services.
- 15.6 Other Transmission Service Schedules:** Eligible Customers receiving transmission service under other agreements on file with the Commission may continue to receive transmission service under those agreements until such time as those agreements may be modified by the Commission.
- 15.7 Real Power Losses:** Real Power Losses are associated with all transmission

service. The Transmission Provider is not obligated to provide Real Power Losses. The Transmission Customer is responsible for replacing losses associated with all transmission service as calculated by the Transmission Provider. The applicable Real Power Loss factors are established in Attachment N.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:
Section III.28, Nature of Network Integration Transmission Service, 1.0.0, A
Record Narrative Name:
Tariff Record ID: 31
Tariff Record Collation Value: 31000 Tariff Record Parent Identifier: 0
Proposed Date: 2014-10-01
Priority Order: 520
Record Change Type: CHANGE
Record Content Type: 1
Associated Filing Identifier:

28 Nature of Network Integration Transmission Service

28.1 Scope of Service: Network Integration Transmission Service is a transmission service that allows Network Customers to efficiently and economically utilize their Network Resources (as well as other non-designated generation resources) to serve their Network Load located in the Transmission Provider's Control Area and any additional load that may be designated pursuant to Section 31.3 of the Tariff. The Network Customer taking Network Integration Transmission Service must obtain or provide Ancillary Services pursuant to Section 3.

28.2 Transmission Provider Responsibilities: The Transmission Provider will plan, construct, operate and maintain its Transmission System in accordance with Good Utility Practice and its planning obligations in Attachment K in order to provide the Network Customer with Network Integration Transmission Service over the Transmission Provider's Transmission System. The Transmission Provider, on behalf of its Native Load Customers,

shall be required to designate resources and loads in the same manner as any Network Customer under Part III of this Tariff. This information must be consistent with the information used by the Transmission Provider to calculate available transfer capability. The Transmission Provider shall include the Network Customer's Network Load in its Transmission System planning and shall, consistent with Good Utility Practice and Attachment K, endeavor to construct and place into service sufficient transfer capability to deliver the Network Customer's Network Resources to serve its Network Load on a basis comparable to the Transmission Provider's delivery of its own generating and purchased resources to its Native Load Customers.

28.3 Network Integration Transmission Service: The Transmission Provider will provide firm transmission service over its Transmission System to the Network Customer for the delivery of capacity and energy from its designated Network Resources to service its Network Loads on a basis that is comparable to the Transmission Provider's use of the Transmission System to reliably serve its Native Load Customers.

28.4 Secondary Service: The Network Customer may use the Transmission Provider's Transmission System to deliver energy to its Network Loads from resources that have not been designated as Network Resources. Such energy shall be transmitted, on an as-available basis, at no additional charge. Secondary service shall not require the filing of an Application for Network Integration Transmission Service under the Tariff. However, all other requirements of Part III of the Tariff (except for transmission rates) shall apply

to secondary service. Deliveries from resources other than Network Resources will have a higher priority than any Non-Firm Point-To-Point Transmission Service under Part II of the Tariff.

28.5 Real Power Losses: Real Power Losses are associated with all transmission service. The Transmission Provider is not obligated to provide Real Power Losses. The Network Customer is responsible for replacing losses associated with all transmission service as calculated by the Transmission Provider. The applicable Real Power Loss factors are established in Attachment N.

28.6 Restrictions on Use of Service: The Network Customer shall not use Network Integration Transmission Service for (i) sales of capacity and energy to non-designated loads, or (ii) direct or indirect provision of transmission service by the Network Customer to third parties. All Network Customers taking Network Integration Transmission Service shall use Point-To-Point Transmission Service under Part II of the Tariff for any Third-Party Sale which requires use of the Transmission Provider's Transmission System. The Transmission Provider shall specify any appropriate charges and penalties and all related terms and conditions applicable in the event that a Network Customer uses Network Integration Transmission Service or secondary service pursuant to Section 28.4 to facilitate a wholesale sale that does not serve a Network Load.

Record Content Description, Tariff Record Title, Record Version Number, Option Code:

Attachment N, Real Power Losses, 0.0.0, A

Record Narrative Name:

Tariff Record ID: 62

Tariff Record Collation Value: 260000 Tariff Record Parent Identifier: 0

Proposed Date: 2014-10-01

Priority Order: 500

Record Change Type: NEW

Record Content Type: 1

Associated Filing Identifier:

ATTACHMENT N

Real Power Losses

Real Power Losses are 0.32%.

Document Content(s)

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