Gillette to sell bonds to buy into coal-fired power plant

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GILLETTE, Wyo. - The city of Gillette is selling about $75 million in revenue bonds this week to buy 23 percent of a new coal-fired power plant in northeastern Wyoming.

The bonds will be sold starting Wednesday through local investment firms. Gillette is buying into the WyGen III power plant, which started operating in April.

Black Hills Power and Light Co. built the plant, which provides power to parts of Wyoming, Montana and western South Dakota.

Gillette buys about 58 percent of its electricity from Black Hills Power and Light. The utility gave the city a chance to replace its contract with 23 percent ownership in the new plant. Otherwise, Gillete officials say the city's electricity rates would increase 15 to 20 percent.