



**Dan Ahrens**  
Manager – Regulatory  
Dan.Ahrens@blackhillscorp.com

1515 Arapahoe Street, Tower 1 – Suite 1200  
Denver, CO 80202  
P: 970.707.9846

March 31, 2025

Advice Letter No. 887

Public Utilities Commission of the State of Colorado  
1560 Broadway  
Suite 250  
Denver, Colorado 80202

The accompanying tariff sheet issued by Black Hills Colorado Electric, LLC. d/b/a Black Hills Energy (“Black Hills” or the “Company”) is sent to you for filing in compliance with the requirements of the Public Utilities Law and the applicable rules of the Public Utilities Commission of the State of Colorado, including Rule 1210, 4 *Colorado Code of Regulations* 723-1. The following tariff sheet is attached:

**COLORADO P.U.C. NO. 11**

<b>Colorado P.U.C. Sheet Number</b>	<b>Title of Sheet</b>	<b>Cancels Colorado P.U.C. Sheet Number</b>
Fifteenth Revised Sheet No. 71	DEMAND SIDE MANAGEMENT COST ADJUSTMENT (DSMCA) (CONTINUED) ELECTRIC	Amended Fourteenth Revised Sheet No. 71

The DSMCA rate is updated semi-annually (April and October) and is applicable to all retail customers. The principal purpose of this April filing is to revise the DSMCA calculation to reflect the 2024 Financial Disincentive Offset, the 2024 Performance Incentive, and any over or under collection of prior year costs.

The proposed DSMCA rate is 2.93%, an increase of 0.04% from the existing DSMCA rate of 2.89%. The majority of the 0.04% increase in the calculation of the DSMCA rate can be attributed to last year’s DSMCA including a \$1.2 million over recovery and an approximate \$0.9M reduction in the performance incentive as presented in appendix C, as the Company achieved 80 percent of the energy saving goals in 2024.

The Company notes that this filing reflects the results of 2024. In Proceeding No. 24A-0157E, the Commission approved a new DSM/BE Plan that began in 2025, that among other items, changes the way the Financial Disincentive Offset (“FDO”) is determined. The Company notes

that these changes will be implemented next year when the data for the 2025 DSM Plan is incorporated in the DSMCA.

If permitted to go into effect on July 1, 2025, the tariff revisions will increase annualized revenues by approximately \$98,288. Based on this proposed increase, the average residential customer monthly bill, under Rate Schedule RS-1 with an average usage of 600 kWh per month, will increase \$0.04 from \$115.76 to \$115.80, or 0.03%. The average small commercial customer monthly bill, under Rate Schedule SGS-N with an average usage of 2,300 kWh per month, will increase \$0.14 from \$380.03 to \$380.17, or 0.04%.

Attached hereto are Appendices A, B, C, and D. Appendix A provides the applicable tariff sheets. Appendix B provides a redlined version of the applicable tariff sheets. Appendix C provides support for the calculation of the DSMCA. Appendix D shows the historical rate trend report.

This filing will be noticed pursuant to the requirements of the Colorado Public Utilities Law. Concurrently with this filing, Black Hills is filing a Motion for Alternative Form of Notice (“Motion”), with an Attachment 1 – Customer Notice (“Customer Notice”). The Motion requests Commission approval for three methods of providing the consolidated Customer Notice to affected customers. First, the Company will file with the Commission and keep open for inspection, Advice Letter No. 887-Electric and will post the notice and filing information on its website for 30 days. Second, a bill message will be printed on each applicable customer’s bill providing the website URL for the Customer Notice, Advice Letter No. 887-Electric and its accompanying tariff sheet, and a toll-free phone number for assistance regarding the amendments. The bill messages will run for one full billing cycle. Third, newspaper legal notices providing the Customer Notice will be published in three newspapers of general circulation covering the Company’s service territory: *The Pueblo Chieftain*, the *Cañon City Daily Record*, and the *Rocky Ford Daily Gazette*. The Company’s newspaper and website notices will inform customers of resources that are available to help pay their bills.

Black Hills requests that the tariff sheet accompanying this Advice Letter become effective on July 1, 2025. Please send copies of all notices, pleadings, correspondence, and other documents regarding this filing to the following:

Dan Ahrens  
Manager, Regulatory  
[Dan.Ahrens@blackhillscorp.com](mailto:Dan.Ahrens@blackhillscorp.com)  
Phone: 970-707-9846

and

Claire Svanda  
Analyst, Regulatory  
[Claire.Svanda@blackhillscorp.com](mailto:Claire.Svanda@blackhillscorp.com)

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Sincerely,

Black Hills Colorado Electric, LLC

/s/ Dan Ahrens

Dan Ahrens  
Manager, Regulatory