

**NOTICE OF FILING FOR RATE CHANGES IN THE GAS COST ADJUSTMENTS
 of Black Hills Colorado Gas, Inc. d/b/a Black Hills Energy**

You are hereby notified that Black Hills Colorado Gas, Inc. d/b/a Black Hills Energy (“BHCG” or “Company”) 7060 Alegre Street Fountain, Colorado 80817, has filed an Advice Letter with the Public Utilities Commission of the State of Colorado (“Commission”), in accordance with the Public Utilities Law, to change rates, affecting its Central, North/Southwest, and Western Slope customers. The rate change will become effective with the volumes taken on and after July 1, 2024.

The purpose of the filing is to reset the rates under the Company’s existing Gas Cost Adjustment (“GCA”) tariffs.

The present and proposed GCA rates for service, as filed with the Commission, as well as the percent change compared to the current GCA, are detailed in the table below:

GCA Region	Current GCA \$/Therm	Proposed GCA \$/Therm	Increase / (Decrease)	% Change
Central	\$0.37179	\$0.43033	\$0.05854	15.7%
North/Southwest	\$0.57328	\$1.01188	\$0.43860	76.5%
Western Slope (Includes Storage)	\$0.67497	\$0.79802	\$0.12305	18.2%

A comparison of an average annual bill with current rates versus the projected average annual bill with proposed rates, as well as a comparison of the average peak winter bill with current rates versus the projected average peak winter bill with proposed rates is detailed in the table below:

GCA Region	Current Average Annual Bill *	Proposed Average Annual Bill *	% Change	Current Peak Winter Month *	Proposed Peak Winter Month *	% Change
Base Rate Area 2, North/Southwest						
1. Residential	\$1,055.14	\$1,402.51	32.92%	\$153.07	\$207.46	35.53%
2. Small Commercial	\$2,200.93	\$3,011.46	36.83%	\$323.50	\$451.13	39.45%
3. Large Commercial	\$17,838.41	\$25,564.74	43.31%	\$2,237.23	\$3,231.09	44.42%
Base Rate Area 1, Western Slope - Includes Storage						
1. Residential	\$1,193.75	\$1,373.94	15.09%	\$155.27	\$180.06	15.97%
2. Small Commercial	\$2,324.72	\$2,701.87	16.22%	\$231.23	\$269.64	16.61%
3. Large Commercial	\$12,804.11	\$15,025.06	17.35%	\$1,678.52	\$1,980.58	18.00%
Base Rate Area 1, North/Southwest						
1. Residential	\$1,180.32	\$1,632.95	38.35%	\$153.42	\$215.70	40.59%
2. Small Commercial	\$2,296.62	\$3,243.99	41.25%	\$228.37	\$324.86	42.25%
3. Large Commercial	\$12,638.59	\$18,217.55	44.14%	\$1,656.00	\$2,414.78	45.82%
Base Rate Area 2, Central						
1. Residential	\$863.32	\$909.69	5.37%	\$123.04	\$130.30	5.90%
2. Small Commercial	\$1,753.36	\$1,861.54	6.17%	\$253.02	\$270.06	6.73%
3. Large Commercial	\$13,571.96	\$14,603.21	7.60%	\$1,688.43	\$1,821.08	7.86%
Base Rate Area 3, Central						
1. Residential	\$867.49	\$931.41	7.37%	\$109.57	\$118.29	7.96%
2. Small Commercial	\$1,272.53	\$1,366.67	7.40%	\$170.94	\$184.70	8.05%
3. Large Commercial	\$10,399.04	\$11,299.63	8.66%	\$1,299.39	\$1,415.72	8.95%

* Based on average customer usage, actual amount could vary according to actual usage by customer.

Bill impacts to an average residential customer is displayed in the table below:

GCA Region	Base Rate Area	Current Average Monthly Bill	Proposed Average Monthly Bill	Monthly Change	Percentage Change	Average Usage
<u>Central GCA Region</u> communities in Bent, Crowley, and Otero Counties, including the towns of Fowler, La Junta, Las Animas, Rocky Ford, and Swink	2	\$71.95	\$75.81	\$3.86	5.36%	66
<u>Central GCA Region</u> Castle Rock south to Monument, Fountain, Woodland Park, east to Kiowa, Limon and Burlington, and the surrounding areas to these communities	3	\$72.30	\$77.62	\$5.32	7.36%	91
<u>North/Southwest GCA Region</u> communities in Larimer and Weld Counties, including the towns of Dacono, Erie, Firestone, Frederick, and Wellington	1	\$98.35	\$136.07	\$37.72	38.35%	86
<u>North/Southwest GCA Region</u> communities in Cheyenne, Logan, Morgan, Phillips, Sedgwick, Washington, Weld, Archuleta, La Plata, Mineral and Yuma Counties, including the towns of Akron, Wray Pagosa Springs, Bayfield and Yuma	2	\$87.92	\$116.87	\$28.95	32.93%	66
<u>Western Slope (Includes Storage)</u> communities located in Delta, Eagle, Garfield, Montrose, Ouray, Pitkin and San Miguel Counties, including the towns of Delta, Glenwood Springs, Hotchkiss, Montrose, Olathe, Paonia, and Telluride	1	\$99.48	\$114.49	\$31.43	15.09%	86

The Company filed its 2022-2023 Gas Purchase and Deferred Balance Report in accordance with Rule 4608 to begin the initial prudence review evaluation process for the prior gas purchase year on September 29, 2023, in Proceeding No. 22P-0247G.

Copies of the proposed and present tariffs as filed with the Commission are available for inspection at the public offices of the Company at 7060 Alegre Street, Fountain, Colorado 80817; or, at the office of the Commission, 1560 Broadway, Suite 250, Denver, Colorado 80202. Customers with questions concerning the proposed or present tariffs may call the Commission at (303) 894-2000; or, may contact the Company by telephone at (888) 890-5554 or by email customerservice@support.blackhillsenergy.com. In addition, the Company's proposed and present tariffs may be viewed at www.blackhillsenergy.com and the applicable Colorado statutes and Commission rules may be viewed at <https://puc.colorado.gov>.

Any person may file written comments or objections concerning the filing, or may request written notice of any hearing, with the Commission, 1560 Broadway, Suite 250, Denver, Colorado, 80202 or <https://puc.colorado.gov/puccomments>. Requests for written notices can also be made to the Commission by telephone at (303) 894-2000 or, alternatively, by contacting the External Affairs section of the Commission at its local number (303) 894-2070 or toll-free number (800) 456-0858. The Commission will consider all written comments and objections submitted prior to the evidentiary hearing on the application. Written objections (protests) must be filed at least one (1) day before the proposed effective date of July 1, 2024. Filing a written objection (protest) by itself will not allow you to participate as a party in any proceeding established in these matters. If you wish to participate as a party in this matter, you must file written intervention documents under Commission Rule 1401, 4 *Colorado Code of Regulations* 723-1.

The rates, rules, and regulations ultimately authorized by the Commission may or may not be the same as those proposed and may include rates higher or lower than those proposed or currently in effect.

The Commission may suspend the proposed tariffs, rates, rules, or regulations. The Commission may hold a hearing to determine which rates, rules, and regulations will be authorized. If a hearing is held, any member of the public may attend the hearing and may make a statement under oath about the proposed tariffs, whether or not he or she has filed an objection or intervention. If the filing is uncontested or unopposed, the Commission may determine the matter without a hearing and without further notice.

By: Dan Ahrens
Manager - Regulatory