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November 27, 2024

Advice Letter No. 879

Public Utilities Commission of the State of Colorado
1560 Broadway
Suite 250
Denver, CO 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 (“Commission”), including Rule 1210, 4 *Colorado Code of Regulations* 723-1. The following tariff sheet is attached:

COLORADO P.U.C. NO. 11

Colorado P.U.C Sheet Number	Title of Sheet	Cancels Colorado P.U.C Sheet Number
Twenty-Second Revised Sheet No. 65	ENERGY COST ADJUSTMENT (CONTINUED) ELECTRIC	Twenty-First Revised Sheet No. 65

The Energy Cost Adjustment (“ECA”) rate is updated to go into effect quarterly (January, April, July, and October) and is applicable to all retail customers. The ECA is a pass-through charge. The ECA recovers energy related costs incurred, such as fuel and purchased power costs, to meet customers’ energy needs. These costs incurred by the Company are strictly pass-through in nature.

The principal purpose of this filing is to amend the ECA rate consistent with the Company’s tariff as approved by Commission Decision No. C13-0794 in Proceeding No. 12AL-1052E.

The proposed ECA rate is \$0.03714 per kWh which, if approved, is to be prorated to bills for all kilowatt-hour usage beginning January 1, 2025. The proposed ECA rate is a \$0.00174 per kWh increase from the current ECA rate of \$0.03540 per kWh. Appendix A provides the applicable tariff sheet. Appendix B provides a redlined version of the applicable tariff sheet, and Appendix C provides the calculation support for the proposed ECA rate.

The main driver behind the increase in the ECA rate is the increase in the Company’s estimated purchases for the system. In the Company’s previous ECA filing, it forecasted approximately \$24 million in purchases for the coming twelve months. In this quarter’s filing, the Company

forecasts approximately \$31 million in purchases for the coming twelve months, amounting to an increase of approximately \$7 million. The increase in estimated purchases is partially offset by decreases in estimated generation costs for the coming twelve months, a continued decrease in the Company's under-collected deferred balance and a slight increase in forecasted sales for the coming twelve months.

The Company made both sales and purchases through the WEIS market. For the months of August, September and October, the Company purchased approximately \$600,000 and sold approximately \$1.3M of energy. These values also account for a small amount of credits and charges related to uninstructed resource deviation, revenue neutrality uplift, and out of merit energy dispatch. The Company is forecasting a small amount of revenues in the coming year but is continuing to refine its forecast as more data becomes available.

If permitted to go into effect on January 1, 2025, the tariff revisions will increase annualized revenues by approximately \$4M. Based on this proposed decrease, the average residential customer monthly bill, under Rate Schedule RS-1 with an average usage of 600 kWh per month, will increase \$1.10 from \$106.13 to \$107.23, or 1.04%. The average small commercial customer monthly bill, under Rate Schedule SGS-N with an average usage of 2,300 kWh per month, will increase \$4.21 from \$347.19 to \$351.40, or 1.21%.

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 Customer Notice to affected customers. First, the Company will file with the Commission and keep open for inspection, Advice Letter No. 879-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. 879-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*. Black Hills requests that the tariff sheet accompanying this Advice Letter become effective on January 1, 2025. The Company's newspaper and website notices will inform customers of resources that are available to help pay their bills. Please send copies of all notices, pleadings, correspondence, and other documents regarding this filing to the following:

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And

Public Utilities Commission
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Sincerely,
Black Hills Colorado Electric, LLC

/s/ Dan Ahrens
Dan Ahrens
Manager, Regulatory