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May 29, 2026

Advice Letter No. 909

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-ninth Revised Sheet No. 65	ENERGY COST ADJUSTMENT (CONTINUED) ELECTRIC	Twenty-eighth 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. The commodity costs incurred by the Company are 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. C25-0183E in Proceeding No. 24AL-0275E.

If approved, the proposed ECA rates are to be prorated to bills for all kilowatt-hour usage beginning July 1, 2026. Consistent with Decision No. C25-0183E, the ECA incorporates a line loss adjustment for Secondary Voltage, Primary Voltage and Transmission Voltage customers. The proposed ECA rates are provided in Table 1.

Table 1

Voltage	Proposed ECA Rate (\$/kWh)	Increase/(Decrease)
Secondary	\$0.04468	\$(0.0049)
Primary	\$0.04394	\$(0.0048)
Transmission	\$0.04329	\$(0.0047)

The proposed ECA is a decrease from the currently effective ECA rate. The most significant driver for the decrease to the ECA rate is a decrease in the estimated purchases for the system of approximately \$8.2M. Additionally, the recovery true-up balance decreased by approximately \$2.1M, also reducing the ECA rate.

The Company made both sales and purchases through the WEIS market. For the months of February and March, the Company incurred costs associated with the purchase of energy totaling \$180,000 and collected revenues associated with the sale of energy totaling approximately \$1.3M. 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's participation in the WEIS market ceased at the end of March 2026. Therefore, the Company does not forecast further activity through WEIS.

This quarter's ECA includes 12 months of forecasted revenue requirement values for the Pueblo Battery Resource. On June 12, 2025, the Company filed an application for a Certificate of Public Convenience and Necessity ("CPCN") to build, own, and operate a 50 MW battery storage facility (Proceeding No. 25A-0255E). On November 3, 2025, the Commission issued Recommended Decision No. R25-0789 granting the motion to approve the Settlement Agreement for the battery storage facility. The Settlement Agreement Stipulates that the Company will recover the costs for the battery (for at least the first ten years of operation) through the ECA. Specifically, the Company performed a standalone pro-forma revenue requirement. The costs of such pro-forma revenue requirement are included with the estimated generation costs within the ECA. The pro-forma costs will be subject to a true-up which will also be included in the ECA.

The Company has included the first quarter of calculations for the Electric – Gas Performance Incentive Mechanism ("E-GPIM") for illustrative purposes. On November 12, 2025, the Company filed an application requesting approval of its proposed E-GPIM (Proceeding No. 25A-0481E) as required by Commission Rule 3861(a). The Commission issued Decision No. C25-0942 on December 30, 2025, approving the Company's E-GPIM application. The E-GPIM framework entails the calculation of a quarterly benchmark rate to be compared against the Company's actual weighted average cost of gas ("WACOG") for the same quarter. For the first quarter of 2026, the Company's actual WACOG was below the benchmark rate, leading to a sharing amount of \$(7,661). This amount is not included in the ECA rate. The Company will calculate sharing amounts for four quarters, subject to an annual cap. The summation of the sharing amounts for the four quarters will then be included in the ECA.

If permitted to go into effect on July 1, 2026, the tariff revisions will decrease annualized revenues by approximately \$11.0M. 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 decrease \$3.10 from \$124.18 to \$121.08, or 2.50%. The average small commercial customer monthly bill, under Rate Schedule SGS-N with an average usage of 2,300 kWh per month, will decrease \$11.88 from \$413.93 to \$402.05, or 2.87%.

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. Appendix D provides the rate trend report inclusive of the proposed ECA rate for secondary voltage customers. Lastly, appendix E provides a comparison of forecasted versus actual fuel costs and purchased power costs. The provision of appendix E complies with applicable reporting requirement for future ECA filings in the Unanimous Comprehensive Settlement Agreement approved by Decision No. R25-0438-I in Proceeding No. 24A-0371E.

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. 909-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. 909-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 July 1, 2026. 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

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Sincerely,
Black Hills Colorado Electric, LLC

/s/ Dan Ahrens
Dan Ahrens
Manager, Regulatory