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**Black Hills Colorado Electric, LLC, d/b/a Black Hills Energy, 105 South Victoria Avenue, P.O. Box 75, Pueblo, Colorado 81003-0075, has filed with the Public Utilities Commission of the State of Colorado (“Commission”), in accordance with the Public Utilities Law, Advice Letter No. 912 to Increase Base Rate Revenues, to Implement Revised Base Rates for All Rate Schedules, and Other Tariff Revisions Effective July 13, 2026.**

**Notice of Proposed Electric Rate Increase**

On June 12, 2026, Black Hills Energy filed a rate review with the Colorado Public Utilities Commission (PUC) to update its electric rates to adjust for the rising cost of operating, maintaining and upgrading its southern Colorado electric system which serves over 102,000 customers in Pueblo, Cañon City, Rocky Ford, and surrounding communities.

Since the Company's last rate review in 2024, Black Hills Energy has invested approximately \$184 million. Our electric rates are established through a highly regulated process guided and approved by the PUC, allowing utility companies to recover the prudent costs of providing service to customers.

**Estimated Billing Impacts**

If permitted to go into effect on July 13, 2026, the tariffs proposed herein will result in an increase of annualized revenues of \$26,663,479. Subject to PUC approval, Black Hills Energy is requesting an increase in its base electric rates and a proposed general rate schedule adjustment (“GRSA”) refund of certain account balances. Without the Company's proposed GRSA refund, an average residential bill would increase \$18.30 per month from \$124.18 to \$142.48 and an average small commercial bill would increase \$26.52 per month from \$277.47 to \$303.99. With the Company's proposed GRSA refund, an average residential bill would increase \$10.90 per month from \$124.18 to \$135.08 and an average small commercial bill would increase \$8.19 per month from \$277.47 to \$285.66.

Customers may visit [www.blackhillsenergy.com/customer-service](http://www.blackhillsenergy.com/customer-service) to obtain information concerning how the requested new tariffs may affect them. Bill impacts will vary across customer classes based on how much energy each customer uses. If approved by the PUC, new rates are anticipated to go into effect in or before March 2027.

Black Hills Energy is proposing changes in the relative amount of revenues collected from each customer class. The annual revenue increase reflects the proposed changes to base rates, including the roll-in of investments currently being recovered through several riders, and the proposed recovery of rate case expenses.

The table below shows total typical monthly bill amounts based on proposed rates for residential and small commercial customer classes, both excluding and including the proposed GRSA refund.

**AVERAGE RESIDENTIAL CUSTOMER MONTHLY BILL IMPACT**

Current Residential Service Bill					Proposed Residential Service Bill <i>without</i> GRSA Refund				
Average Residential Service Bill	Customer Charge (per month)	Energy Charge 1st 500kWh (\$/kWh)	Energy Charge Excess (\$/kWh)	Average Monthly Bill*	Customer Charge (per month)	Flat Rate Energy Charge (\$/kWh)	Average Monthly Bill*	Monthly Change	% Change
	\$8.77	\$0.12159	\$0.15807	\$124.18	\$12.00	\$0.16000	\$142.48	\$18.30	14.7%

Current Residential Service Bill					Proposed Residential Service Bill <i>with</i> GRSA Refund				
Average Residential Service Bill	Customer Charge (per month)	Energy Charge 1st 500kWh (\$/kWh)	Energy Charge Excess (\$/kWh)	Average Monthly Bill*	Customer Charge (per month)	Flat Rate Energy Charge (\$/kWh)	Average Monthly Bill*	Monthly Change	% Change
	\$8.77	\$0.12159	\$0.15807	\$124.18	\$12.00	\$0.16000	\$135.08	\$10.90	8.8%

\* Average Residential Service Bill based on usage of 600 kWh per month

**! UPDATE TO PROPOSED ELECTRIC RATE INCREASE**

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# UPDATE TO PROPOSED ELECTRIC RATE INCREASE

## AVERAGE SMALL BUSINESS CUSTOMER MONTHLY BILL IMPACT

Current Small General Service Bill				Proposed Small General Service Bill <i>without</i> GRSA Refund				
Average Small General Service Bill	Customer Charge (per month)	Energy Charge (\$/kWh)	Average Monthly Bill*	Customer Charge (per month)	Flat Rate Energy Charge (\$/kWh)	Average Monthly Bill*	Monthly Change	% Change
	\$11.39	\$0.11141	\$277.47	\$20.50	\$0.13107	\$303.99	\$26.52	9.6%

Current Small General Service Bill				Proposed Small General Service Bill <i>with</i> GRSA Refund				
Average Small General Service Bill	Customer Charge (per month)	Energy Charge (\$/kWh)	Average Monthly Bill*	Customer Charge (per month)	Flat Rate Energy Charge (\$/kWh)	Average Monthly Bill*	Monthly Change	% Change
	\$11.39	\$0.11141	\$277.47	\$20.50	\$0.13107	\$285.66	\$8.19	3.0%

\*Average Small General Service Bill based on usage of 1,502 kWh per month

## LARGE COMMERCIAL & INDUSTRIAL CUSTOMER PROPOSED MONTHLY RATES

Current				Proposed			
Large General Service	Customer Charge (per month)	Energy Charge (kWh/kW)	Demand Charge (\$/kW)	Customer Charge (per month)	Energy Charge (\$/kWh)	Demand Charge (\$/kW)	GRSA Refund
Secondary	\$64.00	\$0.01205	\$28.00	\$64.00	\$0.03130	\$29.25	-9.60%
Primary	\$64.00	\$0.00680	\$24.00	\$64.00	\$0.01185	\$25.00	-12.30%
Large Power Service	Customer Charge (per month)	Energy Charge (kWh/kW)	Demand Charge (\$/kW)	Customer Charge (per month)	Energy Charge (\$/kWh)	Demand Charge (\$/kW)	GRSA Refund
Secondary	\$438.00	\$0.01946	\$24.00	\$438.00	\$0.02121	\$28.00	-0.00%
Primary	\$888.00	\$0.02046	\$23.00	\$888.00	\$0.02969	\$26.50	-9.86%
Transmission	\$1,842.00	\$0.01518	\$18.80	\$1,842.00	\$0.01866	\$19.50	-10.65%

### The Process

Black Hills Energy is proposing to increase base electric rates, which account for approximately 69% of an average residential customer's total bill. Base electric rates include capital costs, operation and maintenance costs, a return on investment, and taxes. Black Hills Energy's remaining costs are recovered through other charges on the bill.

The PUC staff and other parties will thoroughly review the Company's rate plans, consider public comments, and review testimony from utility representatives and other interested parties. The PUC will approve rates based on consideration of Black Hills Energy's cost to provide safe and reliable service. If approved by the PUC, new rates are anticipated to go into effect in or before March 2027.

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 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.

### Customer Rights

Copies of the proposed and present tariffs as filed with the Public Utilities Commission of the State of Colorado are available for inspection at the public offices of Black Hills Energy at 105 South Victoria Avenue, Pueblo, Colorado 81003; or, at the office of the Public Utilities 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 Black Hills Energy 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 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 with the Colorado Public Utilities Commission, 1560 Broadway, Suite 250, Denver, Colorado, 80202, at the following website: <https://puc.colorado.gov/how-to-participate>. Requests for written notices can also be made to the Commission by telephone at 303-894-2000 or, alternatively, by contacting the Consumer 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 ten (10) days before the proposed effective date of July 13, 2026. 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 723-1-1401, 4 Colorado Code of Regulations 723-1.

### We're Here to Help

We recognize the impact that bill increases have on our customers, and we're here to help.

- **Energy Assistance Programs:** Black Hills Energy supports energy assistance programs through financial contributions and by connecting income-qualified customers to resources and energy assistance options.
- **Bill Payment Assistance:** Customers who experience challenges paying their bills are encouraged to contact us at 888-890-5554 or submit an online form on our customer service page as soon as they think they may be experiencing financial difficulties to discuss payment arrangements.
- **Energy Efficiency Programs:** We are committed to helping customers save energy and money through energy efficiency programs and tips. No matter what approach is right for you, our resources and support can help.

For more information visit [blackhillsenergy.com/billing-and-payments/energy-assistance-programs/colorado-energy-assistance-resources](https://blackhillsenergy.com/billing-and-payments/energy-assistance-programs/colorado-energy-assistance-resources).

### Understanding Your Rates

More information about this rate proposal is available at [blackhillsenergy.com/coe-rates](https://blackhillsenergy.com/coe-rates).

