



Dan Ahrens
Manager – Regulatory & Finance
Dan.Ahrens@blackhillscorp.com

1515 Arapahoe Street, Tower 1 – Suite 1200
Denver, CO 80202
P: 303.566.3374

October 12, 2023

Advice Letter No. 854

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

Colorado P.U.C. Sheet Number	Title of Sheet	Cancels Colorado P.U.C. Sheet Number
Tenth Revised Sheet No. 71	DEMAND SIDE MANAGEMENT COST ADJUSTMENT (DSMCA) (CONTINUED) ELECTRIC	Ninth Revised Sheet No. 71

The Demand Side Management Cost Adjustment (“DSMCA”) is applied to all customers and is updated semi-annually (April and October). Pursuant to the Company’s Colo. PUC No. 11, Original Tariff Sheet No. 68, on October 1 each year, the Company will file with the Commission for revisions to its DSMCA to reflect the approved budget for the next Plan Year and to update the projected sales revenues. The DSMCA rate will be calculated to recover these costs over twelve consecutive billing months beginning January 1 of the next year.

The proposed DSMCA rate is 2.14%, a decrease of 0.01% from the existing DSMCA rate of 2.15%. Although the DSM and BE budgets have a slight increase for 2024, a calculation error from the last DSMCA resulted in a slightly higher rate than should have been. The additional revenues that result from this previous higher DSMCA will be captured in the cost true up next April. The result of the increase in the BE and DSM budgets is offset by correcting the rate from the last filing resulting in a small decrease.

If permitted to go into effect on January 1, 2024, the tariff revisions will decrease annualized revenues by \$152,468. 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 \$0.01 from \$118.13 to \$118.12, or -0.01%. The average small commercial customer monthly bill, under Rate Schedule SGS-N with an average usage of 2,300 kWh per month, will decrease \$0.05 from \$391.65 to \$391.60, or -0.01%.

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. 854-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. 854-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, 2024. 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:

Dan Ahrens
Manager, Regulatory & Finance
Dan.Ahrens@blackhillscorp.com
Phone: 303-566-3374

And

Linsey Jones
Analyst, Regulatory & Finance
linsey.jones@blackhillscorp.com
Phone: 303-566-3577

Public Utilities Commission
October 12, 2023
Page 3
Advice Letter No. 854

Sincerely,

Black Hills Colorado Electric, LLC

/s/ Dan Ahrens

Dan Ahrens
Manager, Regulatory & Finance