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March 1, 2024

Advice Letter No. 866

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**

<b>Colorado P.U.C Sheet Number</b>	<b>Title of Sheet</b>	<b>Cancels Colorado P.U.C Sheet Number</b>
Fourth Revised Sheet No. 102	BLACK HILLS AFFORDABILITY PROGRAM (BHEAP)	Third Revised Sheet No. 102

The principal purpose of this filing is to amend the BHEAP Funding rate by increasing the available funding by approximately \$2.8M annually. The Company is proposing to increase this funding so that it can increase the number of BHEAP participants to approximately 2,600 customers. Currently, there are approximately 1,800 active participants and approximately 1,160 customers who are on the wait list. The proposed effective date is April 10, 2024.

The proposed residential fee will increase from \$0.51 to the maximum allowed by Commission Rule 3412(g)(II)(B) of \$1.00 per month. This \$0.49 increase per month for the average residential customer represents a 0.43 percent increase in the average monthly bill. The nonresidential customer classes are allocated the remaining revenue increase based on allocations from the Company’s last rate case.

The proposed fee for small commercial customers will increase from \$1.46 to \$5.56 per month. The \$4.10 increase represents a 1.10 percent increase in an average monthly bill of a small commercial customer.

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Appendix A provides the applicable tariff sheet. Appendix B provides a redlined version of the applicable tariff sheet.

In decision C23-0538, the Commission approved temporary rules that among other things, requires utilities that seek a new or rate increase to include a rate trend report. Appendix C is a rate trend report.

The Company notes that although the instant filing results in an average residential rate increase of \$0.49 per month, concurrently the Company filed Advice Letter 865 which will reduce the average residential rate by \$3.47 per month.

Appendix C shows the derivation of the proposed rates by class. Appendix D shows the historical rate trend report.

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. 866-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. 866-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 April 10, 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:

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Sincerely,

Black Hills Colorado Electric, LLC

/s/ Dan Ahrens

Dan Ahrens  
Manager Regulatory