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September 26, 2023

Compliance Advice Letter No. 36

Public Utilities Commission of the State of Colorado
Attn: Rebecca E. White
1560 Broadway, Suite 250
Denver, CO 80202

The accompanying tariff sheets issued by Black Hills Colorado Gas, Inc. d/b/a Black Hills Energy (“BHCG” or “Company”) are 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 Rules 4110, 4752(b), 4757 and 4758. The following tariff sheets are attached:

COLORADO P.U.C. NO. 1

| Colorado P.U.C. Sheet Number | Title of Sheet | Cancels Colorado P.U.C. Sheet Number |
|---------------------------------|--|--------------------------------------|
| Eighteenth Revised Sheet No. 13 | Statement of Rates, Rate Schedule Sheet, Gas Sales Rates | Seventeenth Revised Sheet No. 13 |
| Twentieth Revised Sheet No. 14 | Statement of Rates, Rate Schedule Sheet, Gas Sales Rates | Nineteenth Revised Sheet No. 14 |
| Nineteenth Revised Sheet No. 15 | Statement of Rates, Rate Schedule Sheet, Gas Sales Rates | Eighteenth Revised Sheet No. 15 |
| Eighteenth Revised Sheet No. 16 | Statement of Rates, Rate Schedule Sheet, Gas Sales Rates | Seventeenth Revised Sheet No. 16 |
| Nineteenth Revised Sheet No. 17 | Statement of Rates, Rate Schedule Sheet, Gas Sales Rates | Eighteenth Revised Sheet No. 17 |
| Nineteenth Revised Sheet No. 18 | Statement of Rates, Rate Schedule Sheet, Gas Sales Rates | Eighteenth Revised Sheet No. 18 |
| Eighteenth Revised Sheet No. 19 | Statement of Rates, Rate Schedule Sheet, Gas Sales Rates | Seventeenth Revised Sheet No. 19 |
| Nineteenth Revised Sheet No. 20 | Statement of Rates, Rate Schedule Sheet, Gas Sales Rates | Eighteenth Revised Sheet No. 20 |

Colorado PUC E-Filings System

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| Colorado P.U.C. Sheet Number | Title of Sheet | Cancels Colorado P.U.C. Sheet Number |
|---------------------------------|---|--------------------------------------|
| Nineteenth Revised Sheet No. 21 | Statement of Rates, Rate Schedule Sheet, Gas Sales Rates | Eighteenth Revised Sheet No. 21 |
| Nineteenth Revised Sheet No. 22 | Statement of Rates, Rate Schedule Sheet, Gas Sales Rates | Eighteenth Revised Sheet No. 22 |
| Eighteenth Revised Sheet No. 23 | Statement of Rates, Rate Schedule Sheet, Gas Sales Rates | Seventeenth Revised Sheet No. 23 |
| Nineteenth Revised Sheet No. 24 | Statement of Rates, Rate Schedule Sheet, Gas Sales Rates | Eighteenth Revised Sheet No. 24 |
| Nineteenth Revised Sheet No. 25 | Statement of Rates, Rate Schedule Sheet, Gas Sales Rates | Eighteenth Revised Sheet No. 25 |
| Ninth Revised Sheet No. 27 | Statement of Rates, Rate Schedule Sheet, Gas Transportation Service Rates | Eighth Revised Sheet No. 27 |
| Ninth Revised Sheet No. 28 | Statement of Rates, Rate Schedule Sheet, Gas Transportation Service Rates | Eighth Revised Sheet No. 28 |
| Seventh Revised Sheet No. 29 | Statement of Rates, Rate Schedule Sheet, Gas Transportation Service Rates | Sixth Revised Sheet No. 29 |
| Third Revised Sheet No. 50 | Gas Rate Adjustments, EASBC | Second Revised Sheet No. 50 |

This compliance filing is made in accordance with Ordering Paragraphs 2 and 3 of Decision No. C23-0619-E in Proceeding No. 23M-0459EG setting the Energy Assistance System Benefit Charge (“EASBC”) to \$0.79.

The principal purpose of this filing is to increase the EASBC on all applicable rate summary sheets, in compliance with C.R.S. § 40-8.7-105.5(b) and consistent with the EASBC tariffed in Third Revised Sheet No. 50. The EASBC will be billed to all utility customers as shown in Table 1 below:

Table 1: Energy Assistance System Benefit Charge

| Effective On and after | Rate Schedules | Monthly Charge |
|------------------------|----------------|----------------|
| October 1, 2021 | All | \$0.50 |
| October 1, 2022 | All | \$0.75 |
| October 1, 2023 | All | \$0.79 |

Note: The Monthly Charge shall adjust annually each October 1, beginning in 2023, based on the annual percentage change in the published Index for July in the previous year and July in the current year. Index shall mean the *U.S. Dept. of Labor’s Bureau of Labor Statistics Consumer Price Index for Denver-Aurora-Lakewood for All Items and All Urban Consumers*, or its successor index.

If permitted to go into effect on October 1, 2023, the tariff proposed herein will result in no change to the annual revenues of BHCG. The tariff will effectively be revenue neutral. All revenues collected by the

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Company will be transferred to Energy Outreach Colorado net of prudently incurred costs, approved by the Commission, for Company reimbursement.¹

The projected impacts of the Company’s filing on typical monthly bills for Residential customers is shown in Table 2, and for Small Commercial in Table 3.

Table 2: Monthly Bill Impacts -- Residential Customers

| Base Rate Area | GCA Region and Communities Served | Current Average Monthly Bill | Proposed Average Monthly Bill | Monthly Change | Percent Change |
|----------------|---|------------------------------|-------------------------------|----------------|----------------|
| 1 | <u>North/Southwest GCA Region</u> communities in Larimer and Weld Counties, including the towns of Dacono, Erie, Firestone, Frederick, and Wellington | \$97.10 | \$97.14 | \$0.04 | 0.0% |
| 1 | <u>Western Slope - Without Storage GCA Region</u> communities located in Delta, Eagle, Garfield, Montrose, Ouray, Pitkin and San Miguel Counties, including the towns of Delta, Glenwood Springs, Hotchkiss, Montrose, Olathe, Paonia, and Telluride | \$120.61 | \$120.65 | \$0.04 | 0.0% |
| 1 | <u>Western Slope - With Storage GCA Region</u> communities located in Eagle, Garfield, and Pitkin Counties, including the towns of Aspen, Carbondale and Eagle | \$129.33 | \$129.37 | \$0.04 | 0.0% |
| 2 | <u>Central GCA Region</u> communities in Bent, Crowley, and Otero Counties, including the towns of Fowler, La Junta, Las Animas, Rocky Ford, and Swink | \$74.94 | \$74.98 | \$0.04 | 0.1% |
| 2 | <u>North/Southwest GCA Region</u> communities in Cheyenne, Logan, Morgan, Phillips, Sedgwick, Washington, Weld, Archuleta, La Plata, Mineral and Yuma Counties, including the towns of Akron, Wray Pagosa Springs, Bayfield and Yuma | \$86.35 | \$86.39 | \$0.04 | 0.0% |
| 3 | <u>Central GCA Region</u> Castle Rock south to Monument, Fountain, Woodland Park, east to Kiowa, Limon and Burlington, and the surrounding areas to these communities | \$77.35 | \$77.39 | \$0.04 | 0.1% |

¹ The Company understands the temporary rules approved in Proceeding Number 23R-0408EG, Decision No.C23-0538 to require utility filings “that introduces or increases any rate ... shall include a rate trend report” pursuant to Commission Rule 3109 (ee). It is the Company’s interpretation that the instant compliance filing is being made to comply with Decision No. C23-0619-E setting the EASBC to \$0.79 rather than the utility requesting to increase the rate, and therefore does not require a rate trend report.

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Table 3: Monthly Bill Impacts - Small Commercial Customers

| Base Rate Area | GCA Region and Communities Served | Current Average Monthly Bill | Proposed Average Monthly Bill | Monthly Change | Percent Change |
|----------------|---|------------------------------|-------------------------------|----------------|----------------|
| 1 | <u>North/Southwest GCA Region</u> communities in Larimer and Weld Counties, including the towns of Dacono, Erie, Firestone, Frederick, and Wellington | \$188.80 | \$188.84 | \$0.04 | 0.00% |
| 1 | <u>Western Slope - Without Storage GCA Region</u> communities located in Delta, Eagle, Garfield, Montrose, Ouray, Pitkin and San Miguel Counties, including the towns of Delta, Glenwood Springs, Hotchkiss, Montrose, Olathe, Paonia, and Telluride | \$238.01 | \$238.05 | \$0.04 | 0.00% |
| 1 | <u>Western Slope - With Storage GCA Region</u> communities located in Eagle, Garfield, and Pitkin Counties, including the towns of Aspen, Carbondale and Eagle | \$256.27 | \$256.31 | \$0.04 | 0.00% |
| 2 | <u>Central GCA Region</u> communities in Bent, Crowley, and Otero Counties, including the towns of Fowler, La Junta, Las Animas, Rocky Ford, and Swink | \$153.47 | \$153.51 | \$0.04 | 0.00% |
| 2 | <u>North/Southwest GCA Region</u> communities in Cheyenne, Logan, Morgan, Phillips, Sedgwick, Washington, Weld, Archuleta, La Plata, Mineral and Yuma Counties, including the towns of Akron, Wray Pagosa Springs, Bayfield and Yuma | \$180.14 | \$180.18 | \$0.04 | 0.00% |
| 3 | <u>Central GCA Region</u> Castle Rock south to Monument, Fountain, Woodland Park, east to Kiowa, Limon and Burlington, and the surrounding areas to these communities | \$113.49 | \$113.53 | \$0.04 | 0.00% |

Attached hereto are the applicable tariff sheets.

BHCG requests that the tariff sheets accompanying this advice letter become effective on October 1, 2023.

Please send copies of all notices, pleadings, correspondence, and other documents regarding this filing to the undersigned.

Sincerely,

BLACK HILLS ENERGY

/s/ Matthew J. Christofferson

Matthew J. Christofferson
 Manager - Regulatory