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March 1, 2024

Advice Letter No. 864

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 Decision No. R20-0924 issued in Proceeding Nos. 20AL-0394E and 20AL-0395E (“Decision”), 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
Fifth Revised Sheet No. 78B	General Rate Schedule Adjustment (GRSA) continued	Fourth Revised Sheet No. 78B

Ordering Paragraph 5 of Decision No. R20-0924 approved a Settlement Agreement that regards implementation of the Tax Cuts and Jobs Act (“TCJA”). In Paragraph 22 of the Settlement Agreement, the Settling Parties agreed that “The Company will file annual advice letters so that every April, starting with April 2021, customers will receive the annual bill credit for the portion of the outstanding protected [Excess Deferred Federal Income Taxes (“EDFIT”)] balance that was amortized in the previous calendar year, unless or until the Company files a rate review and receives a Commission determination of a final annual protected EDFIT amortization amount that is incorporated in base rates.”

The principal purpose of this filing is to 1) calculate bill credits associated with the annual amortization of the protected EDFIT amount and 2) amend the Company’s GRSA tariff in compliance with the Settlement Agreement and Decision to implement those bill credits. Consistent with the Settlement Agreement and the Decision, the Company will issue bill credits totaling \$1,344,103 in April 2024, implemented through Tariff Sheet No. 78B, with an effective date of April 1, 2024. This amount consists of \$1,362,449 for the estimated annual Average Rate

Assumption Method (“ARAM”) amount and is reduced by \$18,346 as true-up for the 2022 ARAM.

The table below depicts the protected EDFIT bill credit amounts by class if permitted to go into effect on April 1, 2024.

Table - 1

Customer Class	Base Rate Revenue Requirement	Revenue Requirement Allocation	ARAM Class Allocation	Customer Count	Total Bill Credit
Residential	\$ 75,069,614	46.25%	\$ 621,619	89,223	\$ 6.97
Small General Service	\$ 18,828,269	11.60%	\$ 155,909	10,550	\$ 14.78
Large General Service	\$ 37,658,135	23.20%	\$ 311,831	827	\$ 377.06
Large Power Service	\$ 28,539,382	17.58%	\$ 236,322	19	\$ 12,438.02
Lighting	\$ 1,565,789	0.96%	\$ 12,966	896	\$ 14.47
Irrigation	\$ 658,860	0.41%	\$ 5,456	396	\$ 13.78
Total	\$ 162,320,048	100.00%	\$ 1,344,103	101,911	

Following the application of the bill credit, the Company will true-up any remaining amounts. The Company will track the exact amount credited to customers. To the extent that the actual amount credited to customers is less than \$1,344,103, the Company will deposit the difference into the Black Hills Energy Assistance Program (“BHEAP”). If the total amount credited to customers exceeds \$1,344,103, the Company will not seek to make up the difference.

This filing will be noticed pursuant to the requirements of the Colorado Public Utilities Law. The Company will file with the Commission and keep open for inspection, Advice Letter No. 864-Electric and will post the notice and filing information on its website for 30 days. Black Hills requests that the tariff sheet accompanying this Advice Letter become effective on April 1, 2024.

Black Hills is pleased to provide customers with this bill credit. Please send copies of all notices, pleadings, correspondence, and other documents regarding this filing to the undersigned.

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Sincerely,

Black Hills Colorado Electric, LLC

/s/ Dan Ahrens

Dan Ahrens
Manager, Regulatory & Finance