

CLFP 2022 Projected Net Revenue Requirement Meeting

October 27, 2021 11:00 AM MDT

Black Hills Energy

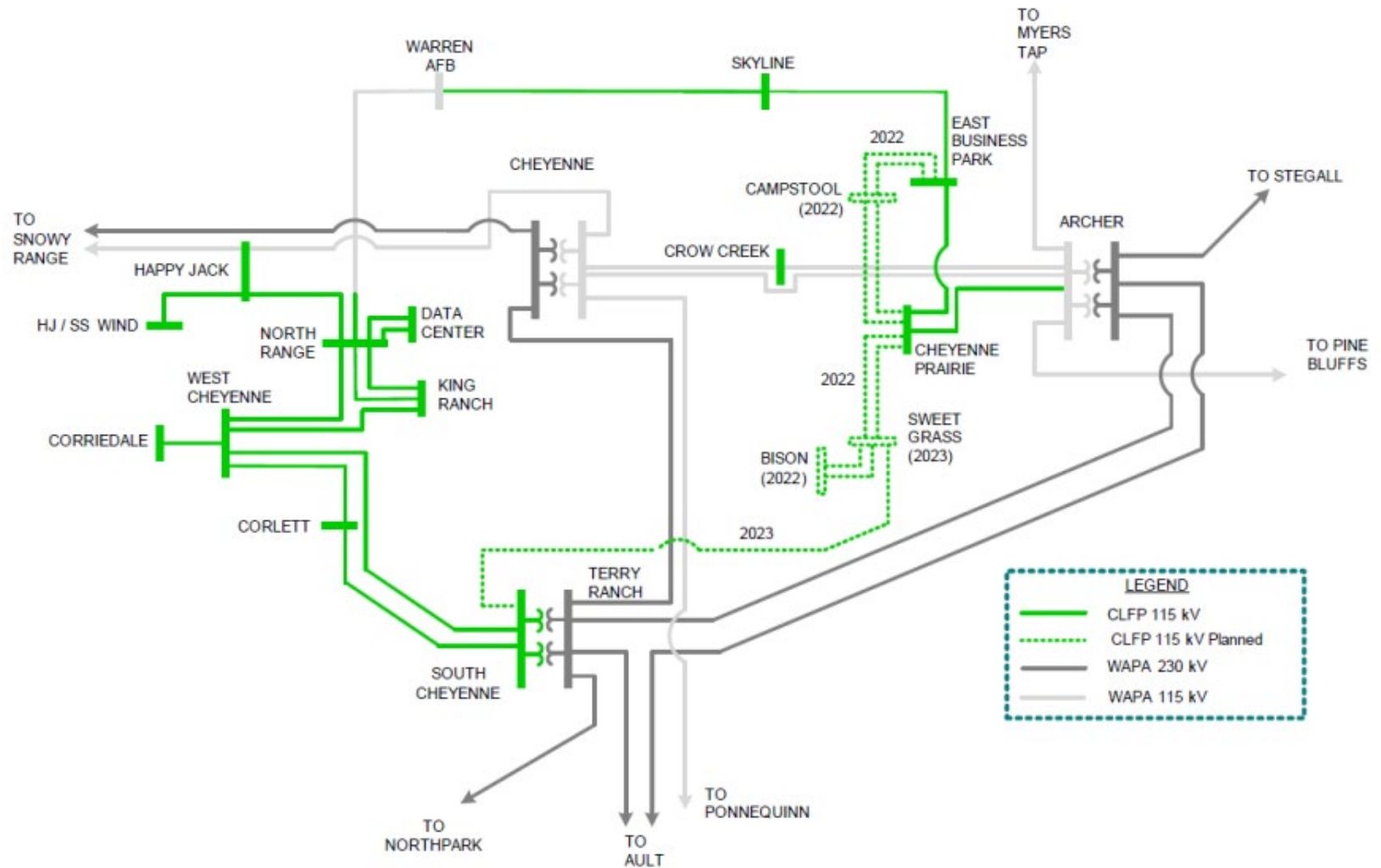




Agenda

- Introductions
- CLFP Transmission System Overview
- Cheyenne Light, Fuel and Power Formula Rate Protocols Update
- Discuss the 2022 Projected Net Revenue Requirement
- Where to Find Information and be Engaged
- Questions & Comments

Cheyenne Transmission System (CLPT)



Summary of Key Drivers

- The CLPT 2022 total projected rate base increases \$26,348,537 or 62.39% over the 2021 estimate.
- The 2022 projected annual rate is \$62.96 kW-Yr, an increase of \$21.48 kW-Yr over the 2021 estimate.
- Primary Drivers of Increase
 - Capital Additions:
 - 2021 - \$7,230,738
 - 2022 - \$36,488,373
 - O&M, Depreciation, Taxes Other than Income, and Income Tax Expenses
 - Primarily increased due to increase in capital additions as noted above and associated property tax increase



2022 Projected Revenue Requirement

Cheyenne Light Fuel & Power Attachment H		<u>2022 Projected</u>	<u>2021 Projected</u>	<u>2020 True Up</u>
1	Average Transmission Rate Base	\$ 68,579,884	\$ 42,231,347	\$ 40,164,543
2	Weighted Rate of Return	8.65%	8.16%	8.65%
3	Return on Average Rate Base	\$ 5,934,286	\$ 3,444,566	\$ 3,475,478
4	Operating Expenses			
5	Operations & Maintenance	3,644,663	2,231,056	2,197,712
6	Depreciation	3,235,515	1,910,733	2,022,033
7	Taxes Other than Income	836,066	415,026	365,333
8	Total Operating Expenses	7,716,244	4,556,815	4,585,078
9	Income Taxes	812,663	411,091	406,198
10	Total Revenue Requirement	14,463,193	8,412,472	8,466,755
11	Revenue Credits	(427,362)	(439,153)	(427,362)
12	True Up from Prior Year	1,008,052	2,346,821	-
13	Net Annual Revenue Requirements	\$ <u>15,043,882</u>	\$ <u>10,320,140</u>	\$ <u>8,039,392</u>
14	Divisor	238,955	248,824	242,750
15	Rate (\$/kW-Yr)	\$ 62.96	\$ 41.48	\$ 33.12

How to be Engaged

We invite our transmission customers to sign up to receive notices related to the Projected Net Revenue Requirement and Annual True-Up. A notification will be sent by email whenever there is an update. These notifications are also posted on our OASIS site. <https://www.oasis.oati.com/CLPT/index.html>

- To sign up for the notices go to our website www.blackhillsenergy.com. On the top left click on 3 orange lines then *Our company*. Next under FERC & Transmission Rates click on *Learn More* then under Cheyenne Light, Fuel and Power click on *Learn More*. At the top click on *Sign up for notices*. Key in your email address, name and click Subscribe.
- If you have any questions please contact us on our transmission line at 605-721-2220 or email Transmissionservice@blackhillscorp.com.



Questions





Comments / Suggestions

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