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November 15, 2024

Advice Letter No. 878

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, the applicable rules of the Public Utilities Commission of the State of Colorado, including Rule 1210, 4 *Colorado Code of Regulations* 723-1, the Commission’s Decision No. C24-0447, and the Company’s tariff rules on Sheets 94A, 94A1, 94B, 94D, 94D1, 94E, 94H and 94I. The following tariff sheets are 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>
Second Revised Tariff Sheet No. 94A	COMMUNITY SOLAR GARDEN SERVICE ELECTRIC	First Revised Tariff Sheet No. 94A
Original Tariff Sheet No. 94A1	COMMUNITY SOLAR GARDEN SERVICE (CONTINUED) ELECTRIC	
Second Revised Tariff Sheet No. 94B	COMMUNITY SOLAR GARDEN SERVICE (CONTINUED) ELECTRIC	First Revised Tariff Sheet No. 94B
Second Revised Tariff Sheet No. 94D	COMMUNITY SOLAR GARDEN SERVICE (CONTINUED) ELECTRIC	First Revised Tariff Sheet No. 94D
Original Tariff Sheet No. 94D1	COMMUNITY SOLAR GARDEN SERVICE (CONTINUED) ELECTRIC	
Second Revised Tariff Sheet No. 94E	COMMUNITY SOLAR GARDEN SERVICE (CONTINUED) ELECTRIC	First Revised Tariff Sheet No. 94E
Second Revised Tariff Sheet No. 94H	COMMUNITY SOLAR GARDEN SERVICE (CONTINUED) ELECTRIC	First Revised Tariff Sheet No. 94H

Sixth Revised Tariff Sheet No. 94I	COMMUNITY SOLAR GARDEN SERVICE (CONTINUED) ELECTRIC	Fifth Revised Tariff Sheet No. 94I
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The principal purpose of this filing is to comply with Decision No. C24-0447 adopting amended rules pursuant to passage of HB 23-1137. This act required the Commission to amend rules governing electric utilities to implement an additional option for Community Solar Garden (“CSG”) subscribers to claim bill credits; specifically, the amended rules introduce a new Fixed Bill Credit option whereby the CSG Subscriber may effectively lock in a bill credit for the production life of the CSG. In this filing, the Company is also updating the Annual Bill Credit to be applicable for the 2025 time period. The Company files the amended tariff sheets to comply with this directive. The amended tariff sheets are to become effective January 1, 2025.

The new CSG Fixed Bill Credit option applies only to CSG subscribers and are used to determine the CSG subscriber’s monthly bill credit. The Subscriber must elect to the utility prior to production either the pre-existing Annual Bill Credit option, for which detailed credit amounts are updated by the Company annually, or the Fixed Bill Credit option promulgated in the amended rules. Specifically, CSG Annual Bill Credits are the dollar amount on a per kWh basis paid to each subscriber for their share of photovoltaic energy that is produced by the CSG and delivered to the Company, whereas Fixed Bill Credits are elected at the beginning of the CSG production period and remain constant for the life of the project.

CSG Annual & Fixed Bill Credits have no effect on the Company’s revenues because the credits are paid from the Company’s Renewable Energy Standard Account.

Whichever type of bill credit is elected by the subscriber organization, each is determined in the same manner, by subtracting from the Total Aggregate Retail Rate (“TARR”) the transmission and distribution costs attributable to each class as identified in Proceeding No. 17AL-0477E, as reflected in the Company’s Tariff Sheet No. 94D. When calculating the applicable billing credit for commercial or industrial customers, the utility’s TARR shall be determined using the average charges and usage for the subscriber’s rate class.

Consistent with the Company’s tariff, the proposed CSG Fixed Bill Credit calculation includes the Company’s most recently approved Phase II electric rates for Transmission and Distribution components.

The revised tariff Sheet No. 94I, if allowed to go into effect by the Commission, will decrease the current CSG Fixed Bill Credit amounts for Regular & Net-Metered Residential, Residential Other, Small General Service Non-Demand, Small General Service Demand, Large General Service Secondary, Large General Service Primary, Large Power Service Primary, Large Power Service Transmission, and Irrigation Pumping during the 2025 billing year. The credit for Large Power Service Secondary customers will increase. For the first year of implementation of the new fixed bill credit option, the fixed bill credit rates are equal to the annual bill credit rates for

2025. The proposed CSG Annual & Fixed Bill Credit impact for customers by rate sub-class is as follows:

**Table 1: Community Solar Garden (CSG) Annual & Fixed Bill Credits**

Class	Subclass	Current CSG Annual Bill Credit per kWh	Proposed 2025 CSG Annual & Fixed Bill Credit per kWh	\$ Difference	% Change
Residential	Regular	\$0.1242	\$0.1126	-\$0.0116	-9.34%
Residential	Other	\$0.0988	\$0.0864	-\$0.0124	-12.55%
Small General Service	Non-Demand	\$0.1260	\$0.1148	-\$0.0112	-8.89%
Small General Service	Demand	\$0.1111	\$0.0989	-\$0.0122	-10.98%
Large General Service	Secondary	\$0.1032	\$0.0913	-\$0.0119	-11.53%
Large General Service	Primary	\$0.1012	\$0.0902	-\$0.0110	-10.87%
Large Power Service	Secondary	\$0.0000	\$0.0016	\$0.0016	∞
Large Power Service	Primary	\$0.0838	\$0.0691	-\$0.0147	-17.54%
Large Power Service	Transmission	\$0.1020	\$0.0895	\$0.0125	-12.25%
Irrigation	Pumping	\$0.1127	\$0.0965	-\$0.0162	-14.37%

Attached hereto are Appendices A, B, and C. Appendix A provides the applicable tariff sheets. Appendix B provides a redlined version of the applicable tariff sheets. Appendix C provides support for the calculation of the CSG Annual & Fixed Bill Credits.

This filing will be noticed pursuant to the requirements of the Colorado Public Utilities Law. Concurrent with this filing, Black Hills files 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. 878-Electric and will post the notice and filing information on its website. Second, a bill message will be printed on each applicable customer’s bill providing the website URL for the Customer Notice and Advice Letter No. 878-Electric and its accompanying tariff sheets, and a toll-free phone number for assistance, beginning within one week after the filing of Advice Letter No. 878-Electric. The bill message will run for one full billing cycle. Third,

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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, 2025.

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

Sincerely,

Black Hills Colorado Electric, LLC

/s/ Daniel S. Ahrens

Daniel S. Ahrens  
Manager, Regulatory