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June 16, 2025

Advice Letter No. 892

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

Colorado P.U.C Sheet Number	Title of Sheet	Cancels Colorado P.U.C Sheet Number
Fifth Revised Sheet No. 102	BLACK HILLS AFFORDABILITY PROGRAM (BHEAP)	Fourth Revised Sheet No. 102

The principal purpose of this filing is to amend the Black Hills Energy Assistance Program (“BHEAP”) funding rate, increasing the available funding to sufficiently address the waitlist for participation in the program. Decision No. C25-0183 directs the Company to file an advice letter within 60 days of a final decision in the Black Hills Colorado Electric rate case (Proceeding No. 24AL-0275E). The Decision also directs the Company to request variance from Rule 4 Code of Colorado Regulations (“CCR”) 723-3-3412(g)(II)(B) which places a cap of one dollar on the monthly residential charge for the BHEAP program.

To sufficiently address the waitlist for the BHEAP electric program, the Company proposes to increase annual funding by approximately \$1.8M per year. There are approximately 2,600 active participants and approximately 1,200 additional customers who are on the waiting list that the Company will be able to enroll after increasing the BHEAP rate. The Company notes that the proposed rate increase may not support clearing the waitlist in the future as referrals to BHEAP continue to grow the demand for the program. As identified by Energy Outreach Colorado (“EOC”) in the Company’s 2024 Electric Rate Case (24AL-0275E), approximately 39 percent of Black Hills Electric customers would be deemed income qualified¹. This percentage

¹ As defined in the Answer Testimony of Andrew Bennet; pg. 12, Lines 12-13; Proceeding No. 24AL-0275E. Income qualification entails household income falling under 60% of the State Medium Income (“SMI”).

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demonstrates the difficulty in supporting the continued growth of a customer-funded energy assistance program.

The proposed effective date of the new BHEAP rates is July 16, 2025. Table 1 below provides the proposed rates. Note that all rates in the table aside from that for Large Power customers are monthly values. The rate for Large Power customers is a volumetric dollar-per-kilowatt hour rate.

Table 1: Proposed BHEAP Rates

<u>Customer Class</u>	<u>Rate</u>
Residential	\$1.45
Small General	\$7.79
Large General	\$201.96
Street/PAL Lighting	\$3.04
Irrigation	\$7.51
Large Power	\$0.002756/kWh

Decision No. C25-0183 directs the Company to request variance from Rule 4 CCR 723-3-3412(g)(II)(B). The current monthly residential charge for the BHEAP program is one dollar. To support the increase in funding for the BHEAP program to adequately address the current waitlist, the Company proposes a new monthly residential charge of \$1.45. The proposed residential rate would increase an average residential bill by \$0.45 or 0.38 percent per month, from \$119.26 to \$119.71. The proposed small commercial rate would increase an average small commercial bill by \$2.43 or 0.61 percent per month, from \$396.37 to \$398.80.

Appendix A provides the applicable tariff sheet. Appendix B provides a redlined version of the applicable tariff sheet. Appendix C shows the derivation of the proposed rates by class. Appendix D provides support for the necessary funding to increase enrollments by approximately 1,200 participants to the BHEAP program as well as the support addressing any adjustment to be made to better align collections and distributions.

In Decision C23-0538, the Commission approved temporary rules that among other things, require utilities that seek a new rate or rate increase to include a rate trend report. Appendix E is a 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. 892-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. 892-Electric and its accompanying tariff sheet, and a toll-free phone number for assistance regarding the amendments. The bill messages will

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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 July 16, 2025. 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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And

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Sincerely,

Black Hills Colorado Electric, LLC

/s/ Jennifer Bass

Jennifer Bass
Manager Regulatory