

Black Hills Energy - Colorado Electric
Purchased Capacity Cost Adjustment
For the Projected Year Ending December 31, 2026

Description	Original Assumptions	Adjustment	As Adjusted	2026 PCCA Total	Partial Year Adjustment for True-Up[2]
<u>2025 Incremental Purchased Capacity Costs</u>					
	<u>Base Rate Assumptions</u>				
Purchased Capacity Costs in Base Rates (Sched. H-1)	\$ 47,276,377	\$ (3,558,106)	\$ 43,718,272		
2025 Purchased Capacity Costs[1]	\$ 43,718,272		\$ 43,718,272		
Difference (PCCA 2026 Costs)	\$ 3,558,106	\$ (3,558,106)	\$ -	\$ (3,558,106)	
<u>2026 Incremental Purchased Capacity Costs</u>					
	<u>2025 Contract Price³</u>		<u>2026 Contract Price</u>		
Fixed Operating and Maintenance Costs¹					
Contract Price (\$kW per Year)	\$ 61.02	\$ 1.83	\$ 62.85		
Net Capability (kW)	200,000		200,000		
Total Fixed Operating and Maintenance Costs	\$ 12,204,000	\$ 366,120	\$ 12,570,120	\$ 366,120	
<u>2025 Deferred Purchased Capacity Costs</u>					
	<u>Proceeding Number 24AL-0495E</u>				
PCCA Over/Under Recovery for 2025					
Forecasted Recovery for 2025	\$ -	\$ -	\$ -		
Projected Recovery through December 2025	\$ -	\$ -	\$ -		
Over/Under Recovery	\$ -	\$ -	\$ -	\$ -	
	<u>True-up</u>				
November/December 2024 Estimated CAF Cost True-up					
CAF Forecast Cost	\$ 7,653,812	\$ (279,606)	\$ 7,374,206		
CAF Actual Cost	\$ 7,374,206		\$ 7,374,206		
Over/Under Recovery	\$ 279,606	\$ (279,606)	\$ -	\$ (279,606)	\$ (61,283)
	<u>Proceeding Number 24AL-0495E</u>				
November - December 2024 Estimated PCCA Recovery True-up					
Forecasted Recoveries (November - December 2024)	\$ (504,349)	\$ 53,824	\$ (450,524)		
Actual Recoveries (November - December 2024)	\$ (450,524)		\$ (450,524)		
Over/Under Recovery	\$ 53,824	\$ 53,824	\$ -	\$ 53,824	\$ 11,797
Jan. - Dec. 2026 PCCA Costs:				\$ (3,417,767)	\$ (3,241,472)

Note[1]: Reflects higher 2026 Fixed O&M charge resulting from the escalation clause found in the Company's Commission-approved long-term contract for purchased power supply and capacity with Black Hills Colorado Electric.

Note[2]: The PCCA rate went to zero beginning on March 22, 2025 as a result of the Company's concluded electric rate case. The partial year adjustment for the true-up accounts for the portion of the year that the PCCA rate was zero.

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2026 PCCA Rate by Customer Class Allocator

	A		B		C		D		E		F = A + B +/- C + D +/- E		
<u>Customer Class Group</u>	<u>Customer Class</u>	<u>2025 Base Rates True-</u>	<u>2026 Fixed O&M</u>	<u>2025 PCCA</u>	<u>December 2024</u>	<u>November-December 2024</u>	<u>Forecast vs Actual Recoveries True-</u>	<u>2026 PCCA Total</u>	<u>Projected Billing</u>	<u>Determinants for January 1,</u>	<u>PCCA Rate</u>		
	<u>Allocator¹</u>	<u>up</u>	<u>Escalation per BHIPP</u>	<u>(Under)/Over</u>	<u>Estimated CAF True-up</u>	<u>up (Under)/Over Recovery</u>				<u>2026 - December 31, 2026</u>			
Energy Only Service (k/Wh)	0.47158	\$ (1,677,931)	\$ 172,655	\$ -	\$ (28,900)	\$ (6,408)	\$ (1,527,768)	616,152,953	\$ (0.00248)	kWh			
Small General Service (k/Wh)	0.11107	\$ (395,199)	\$ 40,665	\$ -	\$ (6,807)	\$ (4,911)	\$ (356,430)	191,851,450	\$ (0.00186)	kWh			
Large General Service (kW)	0.23636	\$ (840,994)	\$ 86,536	\$ -	\$ (14,485)	\$ (1,336)	\$ (767,607)	1,466,676	\$ (0.52336)	kW-mo			
Large Power Service (kW)	0.18100	\$ (644,017)	\$ 66,268	\$ -	\$ (11,092)	\$ 711	\$ (589,553)	1,316,603	\$ (0.44778)	kW-mo			
Total	1.00	\$ (3,558,141)	\$ 366,124	\$ -	\$ (61,284)	\$ (11,945)	\$ (3,241,357)						

<u>Customer Class Group</u>	<u>Incremental</u>	<u>Deferred</u>	<u>Total</u>
Energy Only Service	\$ (1,505,277)	\$ (22,492)	\$ (1,527,768)
Small General Service	\$ (354,534)	\$ (1,896)	\$ (356,430)
Large General Service	\$ (754,458)	\$ (13,149)	\$ (767,607)
Large Power Service	\$ (577,749)	\$ (11,803)	\$ (589,553)
Total	\$ (3,192,018)	\$ (49,340)	\$ (3,241,357)

[1]: CCOSS From BHCOE rate case (24AL-0275E). See Hearing Exhibit 206HC, Executable BHCOE CCOSS, cells F1179 through K1175