

**Black Hills Energy - Colorado Electric  
Purchased Capacity Cost Adjustment  
For the Projected Year Ending December 31, 2022**

Description	Original Assumptions	Adjustment	As Adjusted	<u>2022 PCCA Total</u>
<b><u>2021 Incremental Purchased Capacity Costs</u></b>				
	<u>Base Rate Assumptions</u>			
Purchased Capacity Costs in Base Rates (Sched. H-1)	\$ 44,540,701	\$ 1,944,878	\$ 46,485,579	
2020 Purchased Capacity Costs <sup>1</sup>	\$ 46,485,579		\$ 46,485,579	
<b><i>Difference (PCCA 2022 Costs)</i></b>	<b><i>\$ (1,944,878)</i></b>	<b><i>\$ 1,944,878</i></b>	<b><i>\$ -</i></b>	<b><i>\$ 1,944,878</i></b>
<b><u>2022 Incremental Purchased Capacity Costs</u></b>				
	<u>2021 Contract Price<sup>3</sup></u>		<u>2022 Contract Price</u>	
<b><u>Fixed Operating and Maintenance Costs<sup>1</sup></u></b>				
Contract Price (\$kW per Year)	\$ 54.22	\$ 1.63	\$ 55.84	
Net Capability (kW)	200,000		200,000	
<b><i>Total Fixed Operating and Maintenance Costs</i></b>	<b><i>\$ 10,843,152</i></b>	<b><i>\$ 325,295</i></b>	<b><i>\$ 11,168,446</i></b>	<b><i>\$ 325,295</i></b>
<b><u>2021 Deferred Purchased Capacity Costs</u></b>				
	<u>Proceeding Number 20AL-0512E</u>			
<b><u>PCCA Over/Under Recovery for 2021</u></b>				
Forecasted Recovery for 2021	\$ 1,877,598	\$ -	\$ 1,877,598	
Projected Recovery through December 2021	\$ 1,856,049	\$ 21,549	\$ 1,877,598	
<b><i>Over/Under Recovery</i></b>	<b><i>\$ (21,549)</i></b>	<b><i>\$ 21,549</i></b>	<b><i>\$ -</i></b>	<b><i>\$ 21,549</i></b>
	<u>True-up</u>			
<b><u>November/December 2020 Estimated CAF Cost True-up</u></b>				
CAF Forecast Cost	\$ 7,664,062	\$ 37,043	\$ 7,701,106	
CAF Actual Cost	\$ 7,701,106		\$ 7,701,106	
<b><i>Over/Under Recovery</i></b>	<b><i>\$ (37,043)</i></b>	<b><i>\$ 37,043</i></b>	<b><i>\$ -</i></b>	<b><i>\$ 37,043</i></b>
	<u>Proceeding Number 20AL-0512E</u>			
<b><u>November - December 2020 Estimated PCCA Recovery True-up</u></b>				
Forecasted Recoveries (November - December 2020)	\$ (206,773)	\$ 9,625	\$ (197,147)	
Actual Recoveries (November - December 2020)	\$ (197,147)		\$ (197,147)	
<b><i>Over/Under Recovery</i></b>	<b><i>\$ 9,625</i></b>	<b><i>\$ 9,625</i></b>	<b><i>\$ -</i></b>	<b><i>\$ 9,625</i></b>
<b>Jan. - Dec. 2022 PCCA Costs:</b>				<b><u>\$ 2,338,390</u></b>

**Note 1:** Reflects higher 2022 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 IPP, LLC dated September 29, 2009. Escalation is 3% per year.

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**2022 PCCA Rate by Customer Class Allocator**

<u>Customer Class Group</u>	<u>Customer Class Allocator<sup>1</sup></u>	A	B	C	D	E	F = A + B +/- C + D +/- E	<u>Projected Billing Determinants</u>		<u>PCCA Rate</u>
		<u>2021 Base Rates True-up</u>	<u>2022 Fixed O&amp;M Escalation per BHIPP Contract</u>	<u>2021 PCCA (Under)/Over Recovery</u>	<u>December 2020 Estimated CAF True-up</u>	<u>November-December 2020 Forecast vs Actual Recoveries True-up (Under)/Over Recovery</u>	<u>2022 PCCA Total</u>	<u>for January 1, 2022 - December 31, 2022</u>		
Energy Only Service (k/Wh)	0.424947	\$ 826,470	\$ 138,233	\$ 19,385	\$ 15,741	\$ (8,452)	\$ 969,512	669,491,516	\$ 0.00145	kWh
Small General Service (k/Wh)	0.112737	\$ 219,260	\$ 36,673	\$ 4,010	\$ 4,176	\$ (1,998)	\$ 258,096	198,283,645	\$ 0.00130	kWh
Large General Service (kW)	0.239279	\$ 465,368	\$ 77,836	\$ (8,660)	\$ 8,864	\$ 752	\$ 559,975	1,514,143	\$ 0.36983	kW-mo
Large Power Service (kW)	0.223037	\$ 433,780	\$ 72,553	\$ (36,284)	\$ 8,262	\$ 72	\$ 550,807	1,233,046	\$ 0.44670	kW-mo
<b>Total</b>	<b>1.00</b>	<b>\$ 1,944,878</b>	<b>\$ 325,295</b>	<b>\$ (21,549)</b>	<b>\$ 37,043</b>	<b>\$ (9,625)</b>	<b>\$ 2,338,390</b>			

Note <sup>1</sup>: From PUC Original No. 11 Sheet No. 84

<u>Customer Class Group</u>	<u>Incremental</u>	<u>Deferred</u>	<u>Total</u>
Energy Only Service	\$ 964,703	\$ 4,808	\$ 969,512
Small General Service	\$ 255,932	\$ 2,164	\$ 258,096
Large General Service	\$ 543,205	\$ 16,771	\$ 559,975
Large Power Service	\$ 506,332	\$ 44,474	\$ 550,807
<b>Total</b>	<b>\$ 2,270,173</b>	<b>\$ 68,217</b>	<b>\$ 2,338,390</b>