

**NOTICE OF FILING AN APPLICATION FOR APPROVAL TO RECOVER
EXTRAORDINARY GAS COSTS INCURRED DURING THE
EXTREME FEBRUARY COLD WEATHER EVENT**

**Black Hills Colorado Electric, LLC
d/b/a Black Hills Energy**

You are hereby notified that Black Hills Colorado Electric, LLC, d/b/a Black Hills Energy, 105 South Victoria Avenue, P.O. Box 75, Pueblo, Colorado, 81003-0075, has filed with the Public Utilities Commission of the State of Colorado (“Commission”), in accordance with the Public Utilities Law, an application for approval to recover its extraordinary natural gas costs incurred as a result of the extreme weather and natural gas event that took place across the country in February 2021.

In February 2021, extreme weather took place across the country. During this time, arctic cold weather caused freeze offs of natural gas production facilities and lead to high customer demands. These conditions resulted in an unprecedented spike in the market price of natural gas. Despite these various challenges, Black Hills Energy worked diligently to prudently procure natural gas supplies and ensure the continued safety and reliability of electric service to its customers. The natural gas market price spike that occurred was not foreseeable, nor within the Company’s control. The Company thus incurred extraordinary natural gas costs in purchasing necessary supplies to keep its natural gas generation facilities operational. The cost of natural gas is a pass-through cost. Black Hills Energy does not profit on the price of natural gas. Black Hills Energy filed an application with the Public Utilities Commission of the State of Colorado requesting recovery of the recovery of the cost of natural gas costs starting on November 1, 2021. If approved, Black Hills will add a new separate line item on customer bills called Extraordinary Cost Recovery Rider (“ECRR”).

If permitted to go into effect on November 1, 2021, the average residential customer monthly bill, under Rate Schedule RS-1 with typical usage of 600 kWh per month, will increase \$3.83 from \$99.91 to \$103.74, or 3.83%. The average small commercial customer monthly bill, under Rate Schedule SGS-N with typical usage of 2,300 kWh per month, will increase \$14.67 from \$324.68 to \$339.36, or 4.52%. Large commercial and industrial customers may call Black Hills Energy at (719)-546-5847 to obtain information concerning how the requested tariff amendments may affect them.

Copies of the proposed and present tariffs as filed with the Public Utilities Commission of the State of Colorado are available for inspection at the public offices of Black Hills Energy at 105 South Victoria Avenue, Pueblo, Colorado, 81003; or, at the office of the Public Utilities Commission, 1560 Broadway, Suite 250, Denver, Colorado 80202. Customers with questions concerning the proposed or present tariffs may call the Commission at (303) 894-2000; or, may contact Black Hills Energy by telephone at (888) 890-5554 or by email custserv@blackhillscorp.com. In addition, the Company’s proposed and present tariffs may be viewed at www.blackhillenergy.com and the applicable Colorado statutes and Commission rules may be viewed at <https://puc.colorado.gov>.

Any person may file written comments or objections concerning the filing, with the Colorado Public Utilities Commission, 1560 Broadway, Suite 250, Denver, Colorado, 80202, at the following website: <https://puc.colorado.gov/puccomments>. Filing a written objection (protest) by itself will not allow you to participate as a party in any proceeding established in these matters. If you wish to participate as a party in this matter, you must file written intervention documents under Commission Rule 723-1-1401, 4 *Colorado Code of Regulations* 723-1.

The rates, rules, and regulations ultimately authorized by the Commission may or may not be the same as those proposed and may include rates higher or lower than those proposed or currently in effect.

Attachment 1: BH Electric Customer Notice

The Commission may suspend the proposed tariffs, rates, rules, or regulations. The Commission may hold a hearing to determine which rates, rules, and regulations will be authorized. If a hearing is held, any member of the public may attend the hearing and may make a statement under oath about the proposed tariffs, whether or not he or she has filed an objection or intervention. If the filing is uncontested or unopposed, the Commission may determine the matter without a hearing and without further notice.

By: Michael J. Harrington
Director – Regulatory & Finance