

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

**Black Hills Colorado Gas, Inc.  
d/b/a Black Hills Energy**

You are hereby notified that Black Hills Colorado Gas, Inc. d/b/a Black Hills Energy (“BHCG”, “Black Hills”, or the “Company”), 7060 Alegre Street, Fountain, Colorado 80817, 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 led to record 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 gas 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 gas flowing and customers warm. 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 cost of natural gas costs from its customers starting 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 rate and bill impacts resulting from this application to recover the extraordinary natural gas costs incurred in February 2021 are as follows:

**Table 1: Monthly Bill Impacts -- Residential Customers**

Base Rate Area	GCA Region and Communities Served	Current Average Monthly Bill	Proposed Average Monthly Bill	Monthly Change	Percent Change
1	<b><u>Western Slope Without Storage GCA Region</u></b> communities located in Delta, Eagle, Garfield, Montrose, Ouray, Pitkin and San Miguel Counties, including the towns of Delta, Glenwood Springs, Hotchkiss, Montrose, Olathe, Paonia, and Telluride	\$81.51	\$93.97	\$12.46	15.29%
1	<b><u>Western Slope With Storage GCA Region</u></b> communities located in Eagle, Garfield, and Pitkin Counties, including the towns of Aspen, Carbondale and Eagle,	\$85.85	\$98.31	\$12.46	14.51%
1	<b><u>North/Southwest GCA Region</u></b> communities in Larimer and Weld Counties, including the towns of Dacono, Erie, Firestone, Frederick, and Wellington	\$75.84	\$91.32	\$15.48	20.41%
2	<b><u>Central GCA Region</u></b> communities in Bent, Crowley, and Otero Counties, including the towns of Fowler, La Junta, Las Animas, Rocky Ford, and Swink	\$49.22	\$57.27	\$8.05	16.36%
2	<b><u>North/Southwest GCA Region</u></b> communities in Cheyenne, Logan, Morgan, Phillips, Sedgwick, Washington, Weld, Archuleta, La Plata, Mineral and Yuma Counties, including the towns of Akron, Wray Pagosa Springs, Bayfield and Yuma	\$58.72	\$69.34	\$10.62	18.09%
3	<b><u>Central GCA Region</u></b> Castle Rock south to Monument, Fountain, Woodland Park, east to Kiowa, Limon and Burlington, and the surrounding areas to these communities	\$54.24	\$65.97	\$11.73	21.63%

**Table 2: Monthly Bill Impacts - Small Commercial Customers**

Base Rate Area	GCA Region and Communities Served	Current Average Monthly Bill	Proposed Average Monthly Bill	Monthly Change	Percent Change
1	<b><u>Western Slope Without Storage GCA Region</u></b> communities located in Delta, Eagle, Garfield, Montrose, Ouray, Pitkin and San Miguel Counties, including the towns of Delta, Glenwood Springs, Hotchkiss, Montrose, Olathe, Paonia, and Telluride	\$158.42	\$184.07	\$25.65	16.19%
1	<b><u>Western Slope With Storage GCA Region</u></b> communities located in Eagle, Garfield, and Pitkin Counties, including the towns of Aspen, Carbondale and Eagle,	\$167.33	\$192.98	\$25.65	15.33%
1	<b><u>North/Southwest GCA Region</u></b> communities in Larimer and Weld Counties, including the towns of Dacono, Erie, Firestone, Frederick, and Wellington	\$146.73	\$178.59	\$31.86	21.71%
2	<b><u>Central GCA Region</u></b> communities in Bent, Crowley, and Otero Counties, including the towns of Fowler, La Junta, Las Animas, Rocky Ford, and Swink	\$101.43	\$120.94	\$19.51	19.23%
2	<b><u>North/Southwest GCA Region</u></b> communities in Cheyenne, Logan, Morgan, Phillips, Sedgwick, Washington, Weld, Archuleta, La Plata, Mineral and Yuma Counties, including the towns of Akron, Wray Pagosa Springs, Bayfield and Yuma	\$124.47	\$150.21	\$25.74	20.68%
3	<b><u>Central GCA Region</u></b> Castle Rock south to Monument, Fountain, Woodland Park, east to Kiowa, Limon and Burlington, and the surrounding areas to these communities	\$81.88	\$99.88	\$18.00	21.98%

Copies of the Application as filed with the Commission are available for inspection at the public offices of Black Hills Energy at 7060 Alegre Street, Fountain, Colorado 80817, at each affected local office of the Company, on the Company’s website at [www.blackhillsenergy.com/filings](http://www.blackhillsenergy.com/filings), or at the office of the Commission at 1560 Broadway, Suite 250, Denver, Colorado 80202. Customers with questions concerning the Application may call the Commission at (303) 894-2000; or, may contact Black Hills Energy by telephone at (888) 890-5554 or by email at [custserv@blackhillscorp.com](mailto:custserv@blackhillscorp.com). In addition, the Company’s proposed and present tariffs may be viewed at [www.blackhillsenergy.com](http://www.blackhillsenergy.com) and the applicable Colorado statutes and Commission rules may be viewed at <https://puc.colorado.gov>.

Any person may file a written objection to the Application, or may file to intervene to participate as a party, with the Commission at 1560 Broadway, Suite 250, Denver, Colorado, 80202 or email address <https://puc.colorado.gov/puccomments>. Filing a written objection 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* or any applicable Commission order.

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.

The Commission may suspend the proposed tariffs, rates, rules, or regulations. The Commission may hold a public hearing in addition to an evidentiary hearing. If such a hearing is held, any member of the public may attend and make a statement under oath about the proposed tariffs, whether 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