

**NOTICE OF FILING OF AMENDED TARIFFS FOR THE
TRANSMISSION COST ADJUSTMENT (TCA), PURCHASED CAPACITY COST
ADJUSTMENT (PCCA), AND ENERGY COST ADJUSTMENT (ECA)
IN COLORADO P.U.C. NO. 11 ELECTRIC TARIFF
of 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, advice letters with revised tariffs to amend its Transmission Cost Adjustment (“TCA”), Purchased Capacity Cost Adjustment (“PCCA”), and Energy Cost Adjustment (“ECA”) inputs on Tariff Sheet Nos. 65, 85, 86, and 101 in the Rates section of its Colo. P.U.C. No. 11-Electric Tariff, to become effective on January 1, 2021. The revised tariffs will affect all retail customers subject to the TCA, PCCA, and ECA rate if the Commission allows the tariffs to become effective.

TCA:

The principal purpose of this annual filing is to amend the Company’s TCA tariff sheet to reflect incremental transmission-related costs.

The TCA recovers costs for transmission-related investments that are incremental to the transmission-related costs already being recovered in base rates. This TCA filing represents the incremental transmission-related costs for the period January 1, 2016 through December 31, 2021. The Company is proposing to increase the TCA rate from \$0.003655 per kWh to \$0.005072 per kWh. If permitted to go into effect on January 1, 2022, the tariff revisions will result in an increased revenue requirement of approximately \$2.7 Million.

PCCA:

The principal purpose of this annual filing is to amend the Company’s PCCA tariff sheets to reflect incremental purchased capacity costs.

The PCCA recovers costs for purchased capacity that are incremental to the costs already being recovered in base rates. This PCCA filing represents the incremental purchased capacity costs for the period January 1, 2016 through December 31, 2021. If permitted to go into effect on January 1, 2022, the tariff revisions will result in **an/a increased/decreased** annual revenue of approximately **\$XXXXX**. Refer to the table below for the proposed PCCA rates as compared to rates currently in effect:

| Customer Class Group | Current PCCA Rates per kWh or kW | Proposed January 1, 2022 PCCA Rates per kWh or kW | Proposed Increase/(Decrease) per kWh or kW |
|-----------------------------|----------------------------------|---|--|
| Residential and Energy Only | \$0.00108/kWh | \$0.000XX/kWh | \$0.000XX/kWh |

| | | | |
|-----------------------|---------------|---------------|---------------|
| Small General Service | \$0.00100/kWh | \$0.000XX/kWh | \$0.000XX/kWh |
| Large General Service | \$0.36610/kW | \$0.XXXXXX/kW | \$0.0XXXXX/kW |
| Large Power Service | \$0.35296/kW | \$0.XXXXXX/kW | \$0.0XXXXX/kW |

ECA:

The ECA rate is updated quarterly (February, May, August, and November) and is applicable to all retail customers. The ECA is a mechanism to recover costs incurred by the Company for natural gas used in the production of electricity, for costs associated with renewable energy production, and/or for wholesale power purchased on the open market by the Company to meet customers' energy needs. These costs incurred by the Company are strictly pass-through costs.

The components included in the ECA filing reflect the expect cost of energy for the period January 1, 2022 through December 31, 2022. This ECA update also includes a true-up to actual costs during the period August 1, 2021 through October 31, 2021. If permitted to go into effect on January 1, 2022, the tariff revisions will result in an/a increase/decrease of annual revenue of approximately \$XXXX. The proposed revisions, if approved, will increase/decrease the current ECA rate from \$0.04072 per kWh to \$0.0XXXX per kWh.

Combined Bill Impact:

If permitted to go into effect on January 1, 2021, the three tariff revisions will result in an increased/decrease annual revenue of approximately \$XXXX. Together, these three rate adjustments will increase/decrease the average residential customer monthly bill by \$X.XX from \$XX.XX to \$XX.XX, or X.XX%. The average small commercial customer monthly bill will increase/decrease by \$X.XX, from \$XXX.XX to \$XXX.XX, or X.XX%.

Large commercial and industrial customers may call Black Hills Energy at telephone (719) 546-5885 or (719) 546-6410 to obtain information concerning how 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.blackhillsenergy.com and the applicable Colorado statutes and Commission rules may be viewed at www.dora.colorado.gov/puc.

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: www.dora.state.co.us/pacific/PUC/puccomments. Requests for written notices can also be made to the Commission by telephone at (303) 894-2000 or, alternatively, by contacting the External Affairs section of the Commission at its local number (303) 894-2070 or toll free number (800) 456-0858. The Commission will consider all written comments and objections submitted prior to the evidentiary hearing on the application. Written objections (protests) must be filed at least ten (10) days before the proposed effective date of January 1, 2021. 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.

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: Dan Ahrens
Manager, Regulatory & Finance