

**NOTICE OF FILING OF AMENDED TARIFFS FOR THE
COMMUNITY SOLAR GARDEN (CSG) FIXED BILL CREDITS AND CO-
GENERATION AND SMALL POWER PRODUCTION FACILITIES
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 Community Solar Garden (“CSG”) Fixed Bill Credits and Energy Payment Rate (also referred to as the “Avoided Cost Rate” or “Average Hourly Incremental Cost of Electricity”) rates contained in Tariff Sheet Nos. 94I and R36 in the Rates section of its Colo. P.U.C. No. 11-Electric Tariff, to become effective on January 1, 2020. The proposed tariff amendments have no effect on Company revenues if approved.

CSG Fixed Bill Credit:

The CSG Fixed Bill Credits apply to CSG subscribers only and is used to determine the CSG subscriber’s monthly bill credit. The revised tariff, if allowed to go into effect by the Commission, will increase the bill credit for Regular Residential, Large Power Service Primary, and Irrigation; and, decreases the bill credit for all other customer classes, namely Other Residential, Non-Demand Small General Service, Demand Small General Service, Primary Large General Service, Secondary Large General Service, Secondary Large Power Service, and Transmission Large Power Service. The proposed bill credit impacts for customers by rate class is as follows:

Class	Subclass	Current CSG Fixed Bill Credit per kWh	Proposed 2020 CSG Fixed Bill Credit per kWh	Difference	Percent Change
Residential	Regular	\$0.1179	\$0.1221	\$0.0042	3.54%
Residential	Other	\$0.1625	\$0.0970	\$(0.0655)	-40.33%
Small General Service	Non- Demand	\$0.1472	\$0.1252	\$(0.0220)	-14.96%
Small General Service	Demand	\$0.1094	\$0.1006	\$(0.0088)	-8.03%
Large General Service	Secondary	\$0.0949	\$0.0869	\$(0.0080)	-8.43%
Large General Service	Primary	\$0.0947	\$0.0829	\$(0.0118)	-12.43%
Large Power Service	Secondary	\$0.0662	\$0.0621	\$(0.0041)	-6.13%

Large Power Service	Primary	\$0.0634	\$0.0687	\$0.0053	-8.39%
Large Power Service	Transmission	\$0.0817	\$0.0719	\$(0.0098)	-12.00%
Irrigation	Pumping	\$0.0992	\$0.1207	\$0.0215	21.71%

Avoided Cost Rate/Average Hourly Incremental Rate:

The revised tariff affects co-generation and small power producers, if approved. However, there are currently no co-generation or small power production facilities on the Company's system. The revised tariff also affects certain net metering customers. The Average Hourly Incremental Rate is the rate paid to net metered customers for any accrued excess energy production produced during the most recent calendar year if they elect the annual "cash-out" method rather than rolling the excess kWh over as a usage bill credit to the next year. This net metering payment methodology is consistent with Commission Rule 3664(b).

The proposed Avoided Cost rate is \$0.02810 per kWh, which if approved, will become effective January 1, 2020. The proposed Avoided Cost rate is a \$0.00728 per kWh, or 34.96%, increase from the current Avoided Cost Rate of \$0.02082 per kWh currently in effect. Based on previous net metering "cash-out" payments, the Company anticipates incurring approximately an additional \$10k due to the increase Avoided Cost rate. The "cash-out" payments are funded through the Company's Renewable Energy Standard Account.

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, 2020. 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: Michael J. Harrington
Manager, Regulatory & Finance