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April 1, 2019

Advice Letter No. 773

Public Utilities Commission of the State of Colorado  
1560 Broadway  
Suite 250  
Denver, Colorado 80202

The accompanying tariff sheet issued by Black Hills Colorado Electric, LLC, d/b/a Black Hills Energy (“Black Hills” or the “Company”) is sent to you for filing in compliance with the requirements of the Public Utilities Law and the applicable rules of the Public Utilities Commission of the State of Colorado (“Commission”), including Rule 1210, 4 *Colorado Code of Regulations* 723-1. The following tariff sheet is attached:

**COLORADO P.U.C. NO. 10**

<b>Colorado P.U.C. Sheet Number</b>	<b>Title of Sheet</b>	<b>Cancels Colorado P.U.C. Sheet Number</b>
Second Revised Sheet No. 71	DEMAND SIDE MANAGEMENT COST ADJUSTMENT (DSMCA) (CONTINUED) ELECTRIC	First Revised Sheet No. 71

The DSMCA rate is updated semi-annually (April and October) and is applicable to all retail customers. The principal purpose of this April filing is to revise the DSMCA calculation to reflect the 2018 Financial Disincentive Offset, the 2018 Performance Incentive, and to true-up any over or under collection of costs in 2018.

The 2018 DSM program was the third and final program year of the Company’s approved 2016-2018 portfolio, and the ninth program year for Black Hills. The Company achieved energy savings of 18,224,004 kWh in 2018 (at the meter) which represents 90% of the program’s goal for the 2018 program year. The Company achieved demand savings of 3,993 kW which represents 72% of the demand goal. To achieve these savings, the Company spent approximately \$4.788 million, or 74% of its budget. In addition, under the Modified Total Resource Cost Test (mTRC), the cost-effectiveness of the portfolio was 2.97. A detailed annual report of the 2018 DSM plan results is filed in Proceeding No. 15A-0424E.

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The proposed DSMCA rate is 1.77%, a decrease of 0.61% from the existing DSMCA rate of 2.38% which was approved in Proceeding No. 18AL-0880E.

If permitted to go into effect on July 1, 2019, the tariff revisions will result in decreased annual revenues of approximately \$1,541,690. Based on this proposed reduction, the average residential customer monthly bill, under Rate Schedule RS-1 with typical usage of 600 kWh per month, will decrease \$0.60 from \$100.88 to \$100.28 or 0.59%. The average small commercial customer monthly bill, under Rate Schedule SGS-N with typical usage of 2,300 kWh per month, will decrease \$1.94 from \$328.34 to \$326.40 or 0.59%. Large commercial and industrial customers may call Black Hills Energy at (719) 546-6410 to obtain information concerning how the requested tariff amendments may affect them.

Attached hereto are Appendices A, B and C. Appendix A is the proposed Second Revised Sheet No. 71. Appendix B provides a redlined version of this tariff sheet, comparing it to the current First Revised Sheet No. 71. Appendix C contains the work papers supporting the proposed tariff changes.

This filing will be noticed pursuant to the requirements of the Colorado Public Utilities Law. Concurrently with this filing, Black Hills is filing a Motion for Approval of Alternative Form of Notice (“Motion”) with an Attachment 1, Customer Notice. The Motion requests Commission approval for three methods of providing the Customer Notice to affected customers. First, the Company will post the Customer Notice as well as this advice letter and accompanying attachments on the Company’s website. Second, a bill message will notify affected customers of the website posting, and provide both the URL link and a toll-free phone number for assistance. The bill message will run for one full cycle. Third, newspaper legal notices providing the Customer Notice will be published in three newspapers of general circulation covering the Company’s service territory: *The Pueblo Chieftain*, the *Cañon City Daily Record*, and the *Rocky Ford Daily Gazette*.

Black Hills requests that the tariff sheets accompanying this advice letter become effective on July 1, 2019. Please send copies of all notices, pleadings, correspondence, and other documents regarding this filing to the undersigned.

Sincerely,

Black Hills Colorado Electric, LLC

/s/ Michael Harrington

Michael Harrington