

**Black Hills Energy - Colorado Electric
Purchased Capacity Cost Adjustment
For the Projected Year Ending December 31, 2023**

Description	Original Assumptions	Adjustment	As Adjusted	<u>2023 PCCA Total</u>
<u>2022 Incremental Purchased Capacity Costs</u>				
	<u>Base Rate Assumptions</u>			
Purchased Capacity Costs in Base Rates (Sched. H-1)	\$ 44,540,701	\$ 2,187,714	\$ 46,728,415	
2022 Purchased Capacity Costs ¹	\$ 46,728,415		\$ 46,728,415	
<i>Difference (PCCA 2023 Costs)</i>	\$ (2,187,714)	\$ 2,187,714	\$ -	\$ 2,187,714
<u>2023 Incremental Purchased Capacity Costs</u>				
	<u>2022 Contract Price³</u>		<u>2023 Contract Price</u>	
<u>Fixed Operating and Maintenance Costs¹</u>				
Contract Price (\$kW per Year)	\$ 55.84	\$ 1.68	\$ 57.52	
Net Capability (kW)	200,000		200,000	
<i>Total Fixed Operating and Maintenance Costs</i>	\$ 11,168,446	\$ 335,053	\$ 11,503,500	\$ 335,053
<u>2022 Deferred Purchased Capacity Costs</u>				
	<u>Proceeding Number 21AL-0543E</u>			
<u>PCCA Over/Under Recovery for 2022</u>				
Forecasted Recovery for 2022	\$ 2,338,390	\$ -	\$ 2,338,390	
Projected Recovery through December 2022	\$ 2,224,429	\$ 113,960	\$ 2,338,390	
<i>Over/Under Recovery</i>	\$ (113,960)	\$ 113,960	\$ -	\$ 113,960
	<u>True-up</u>			
<u>November/December 2021 Estimated CAF Cost True-up</u>				
CAF Forecast Cost	\$ 7,747,597	\$ (3,900)	\$ 7,743,697	
CAF Actual Cost	\$ 7,743,697		\$ 7,743,697	
<i>Over/Under Recovery</i>	\$ 3,900	\$ (3,900)	\$ -	\$ (3,900)
	<u>Proceeding Number 21AL-0543E</u>			
<u>November - December 2021 Estimated PCCA Recovery True-up</u>				
Forecasted Recoveries (November - December 2022)	\$ (309,772)	\$ 52,339	\$ (257,433)	
Actual Recoveries (November - December 2022)	\$ (257,433)		\$ (257,433)	
<i>Over/Under Recovery</i>	\$ 52,339	\$ 52,339	\$ -	\$ 52,339
Jan. - Dec. 2023 PCCA Costs:				\$ <u>2,685,167</u>

Note 1: Reflects higher 2023 Fixed O&M charge resulting from the escalation clause found in the Company's Commission-approved long-term contract for purchased power supply and capacity with Black Hills Colorado IPP, LLC dated September 29, 2009. Escalation is 3% per year.

**Black Hills Energy - Colorado Electric
Purchased Capacity Cost Adjustment
For the Projected Year Ending December 31, 2023**

2023 PCCA Rate by Customer Class Allocator

	A	B	C	D	E	F = A + B +/- C + D +/- E			
<u>Customer Class Group</u>	<u>Customer Class Allocator¹</u>	<u>2022 Base Rates True-up</u>	<u>2023 Fixed O&M Escalation per BHIPP Contract</u>	<u>2022 PCCA (Under)/Over Recovery</u>	<u>December 2021 Estimated CAF True-up</u>	<u>November-December 2021 Forecast vs Actual Recoveries True-up (Under)/Over Recovery</u>	<u>2023 PCCA Total</u>	<u>Projected Billing Determinants for January 1, 2023 - December 31, 2023</u>	<u>PCCA Rate</u>
Energy Only Service (k/Wh)	0.424947	\$ 929,662	\$ 142,380	\$ (28,112)	\$ (1,657)	\$ (22,807)	1,121,304	640,232,499	\$ 0.00175 kWh
Small General Service (k/Wh)	0.112737	\$ 246,636	\$ 37,773	\$ (1,501)	\$ (440)	\$ (4,670)	290,141	195,110,363	\$ 0.00149 kWh
Large General Service (kW)	0.239279	\$ 523,474	\$ 80,171	\$ 2,881	\$ (933)	\$ (11,095)	610,926	1,474,547	\$ 0.41431 kW-mo
Large Power Service (kW)	0.223037	\$ 487,941	\$ 74,729	\$ (87,228)	\$ (870)	\$ (13,767)	662,796	1,044,387	\$ 0.63463 kW-mo
Total	1.00	\$ 2,187,714	\$ 335,053	\$ (113,960)	\$ (3,900)	\$ (52,339)	2,685,167		

Note 1: From PUC Original No. 11 Sheet No. 84

<u>Customer Class Group</u>	<u>Incremental</u>	<u>Deferred</u>	<u>Total</u>
Energy Only Service	\$ 1,072,042	\$ 49,262	\$ 1,121,304
Small General Service	\$ 284,409	\$ 5,731	\$ 290,141
Large General Service	\$ 603,645	\$ 7,281	\$ 610,926
Large Power Service	\$ 562,670	\$ 100,126	\$ 662,796
Total	\$ 2,522,767	\$ 162,400	\$ 2,685,167