Concentric Energy Advisors Study on **Municipalization in Pueblo**



WHAT EVERYONE NEEDS TO KNOW

An independent study conducted for Black Hills Energy by Concentric Energy Advisors projects that customer bills will go up, not down, if Pueblo forms a government-run utility.

This is because the annual operating costs of a city-run utility will be higher than the costs for Black Hills Energy to continue to provide service — \$16.9 million higher in the first year alone.

Under a governmentrun utility, customer bills will go up 15% or \$138 per year (\$11.50 per month) in the first year and will go up 25% or \$330 per year (\$27.50 per month) by the 20th year. The study projects it will cost at least \$402 million to acquire the parts of the Black Hills Energy distribution system – poles, wires, substations, other infrastructure – needed to serve customers in the City of Pueblo – not including generation or transmission.

The study shows Pueblo customers will be better off if Black Hills Energy continues to provide the safe, reliable service we're known for, rather than switching to a risky government-run option that costs more.

OPTIONS	ESTIMATED COST TO BUY THE SYSTEM	YEAR 1 (2024) OPERATING COST
City-Run Option	\$402 million	\$131.4 million
Black Hills Energy Option	\$0	\$114.5 million
Higher Costs of City-Run Option	\$402 million more cost to Pueblo customers	\$16.9 million higher cost in Year 1



WHO IS CONCENTRIC?

- Concentric is a respected management consulting and financial advisory firm founded in 2002 and focused on North American energy and utilities clients. In addition to work for investor-owned utilities, Concentric has performed financial analyses for cities and towns considering municipalization.
- While Black Hills Energy paid for this study, the conclusions are solely those of Concentric, as an independent consultant and advisor. The cost is a company expense, not a customer expense.

WHAT HAPPENS NEXT

- Black Hills Energy is sharing these findings with elected officials, community leaders, key accounts and other customers in Southern Colorado, and with the news media. You can read the full study here: www.blackhillsenergy.com/energyfuture.
- We remain focused on productive dialogue with the city about how we can collaborate to keep Pueblo moving forward; we're committed to serving our Southern Colorado customers for many years to come.