

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO
PROCEEDING NO. 23AL-_____ E

IN THE MATTER OF ADVICE LETTER NO. 858 FILED BY BLACK HILLS COLORADO ELECTRIC, LLC TO AMEND THE PURCHASED CAPACITY COST ADJUSTMENT (PCCA) TO BECOME EFFECTIVE JANUARY 1, 2024.

MOTION FOR APPROVAL OF ALTERNATIVE FORM OF NOTICE

Pursuant to C.R.S. § 40-3-104(1)(c)(I)(E) and Rule 1207(b), Black Hills Colorado Electric, LLC (“Black Hills” or “Company”), by its undersigned attorney, requests that the Commission enter an Order approving an alternative form of notice that will apply to Advice Letter No. 858-Electric. By Advice Letter No. 858-Electric, Black Hills seeks to amend its Purchased Capacity Cost Adjustment (“PCCA”) rates contained on Tariff Sheet Nos. 85 and 86 in the Rates section of its Colo. P.U.C. No. 11-Electric Tariff. The PCCA is applicable to all retail customers and is designed to recover the incremental cost of capacity purchased to supply electric service above the level of purchased capacity costs included in base rates. Black Hills also asserts that conferral is not required for this Motion according to Commission Rule 1400(a)(I), and that responses to this Motion are not allowed according to Commission Rule 1207(b) except for Trial Staff of the Commission and the Utility Consumer Advocate, who may file a response within two business days of the filing of the motion. In support of the relief requested, Black Hills states as follows:

1. On November 15, 2023, the Company filed Advice Letter No. 858-Electric to amend its PCCA inputs and rates on Tariff Sheet Nos. 85 and 86, in the Rates section of its Colo. P.U.C. No. 11-Electric Tariff. The proposed tariff amendments will increase the PCCA from \$0.00175/kWh to \$0.00196/kWh for Residential and Energy Only customers, increase the PCCA rate from \$0.00149/kWh to \$0.00165/kWh for Small General Service customers, increase the

PCCA rate from \$0.41431/kW to \$0.45610/kW for Large General Service customers, and increase the PCCA rate from \$0.63463/kW to \$0.74256/kW for Large Power Service customers. The proposed tariff amendments will increase the annualized PCCA revenues by approximately \$325,870 beginning January 1, 2024.

2. This Motion only pertains to a request for alternative form of notice for the Company's amendments to its Tariff to reflect the PCCA revisions. However, the Company will be filing a separate Advice Letter filing by November 30, 2023, to amend its Energy Cost Adjustment ("ECA"). In addition, on November 1, 2023, in Proceeding No. 23AL-0542E, the Company submitted proposed amendments to its Transmission Cost Adjustment ("TCA"). On September 30, 2023, in Proceeding No. 23AL-0505E, the Company submitted proposed amendments to its Demand Side Management Cost Adjustment ("DSMCA"). Given the proposed effective date of January 1, 2024, for the PCCA, ECA, TCA, and DSMCA, the Company is seeking approval in this Motion to provide alternative notice that reflects the filing of these three adjustments.¹ The Commission approved consolidated noticing for the DSMCA, TCA, PCCA, and ECA in the previous PCCA filing in Decision No. C23-0715-I in Proceeding No. 23AL-0505E.

3. Specifically, Black Hills seeks Commission authorization to use the following form of alternative notice for its amendments to its PCCA:

- a. Filing with the Commission, and keeping open for inspection, Advice Letter No. 858-Electric, which amends its PCCA calculation inputs, on Tariff Sheet Nos. 85 and 86, in the Rates section of its Colo. P.U.C. No. 11-Electric Tariff. The Company will also

¹ This Motion only seeks Commission approval of alternative form of notice for its amendments to its PCCA. On November 1, the Company filed a similar request for approval of alternative form of notice for its amendments to its TCA. In that filing, the Company explained that it will be seeking alternative form of notice for its amendments to the TCA, PCCA, ECA, and DSMCA. For clarity, Black Hills will continue to seek separate approval of alternative form of notice for its remaining amendments due this month, which concerns the ECA.

post on its website at the time of filing: (1) a Customer Notice attached herewith as Attachment 1 – Placeholder Customer Notice (“Customer Notice”) and (2) Advice Letter No. 836-Electric and its accompanying tariff sheets, for forty-five (45) days. The website posting will include a reference to the applicable proceeding number. The applicable website address for the posting of Advice Letter No. 858-Electric, Attachment 1 – Placeholder Customer Notice, and the accompanying tariff sheets is: <https://www.blackhillsenergy.com/billing-and-payments/rates-and-regulatory-information/colorado-rates-and-regulatory-information>. The Customer Notice includes amendments and impacts of the PCCA, ECA, TCA, and DSMCA filings that will be or have been proposed to be effective January 1, 2024, so as to provide customers with complete and comprehensive notice of the changes Black Hills is proposing to their rates. As shown in the Customer Notice, the Customer Notice will explain each adjustment and overall bill impact to customers. Though Black Hills provides for Commission review the Customer Notice, it will not be posted until after the November 30, 2023, filing of the ECA. Black Hills proposed to post the Customer Notice after this date so that it will provide notice to customers of all of the rates changes associated with its PCCA, ECA, TCA, and DSMCA filings.²

- b. Printing a message on each applicable customer’s bill providing the website URL for the Customer Notice and Advice Letter No. 858-Electric and its accompanying tariff sheets, and a toll-free phone number for assistance, beginning with the December 2023 bill cycle, which will encompass the DSMCA filed September 30, 2023, TCA filed on

² In Attachment 1 – Placeholder Customer Notice, the terms and figures highlighted in yellow will be updated and completed with the filing of Black Hills’ amendments to its ECA. In its ECA filing, Black Hills will provide to the Commission the fully updated Customer Notice, consistent with all proposed changes to the PCCA, ECA, TCA, and DSMCA.

November 1, 2023, PCCA filed herein, and ECA amendments separately filed on November 30, 2023. Because the bill messages will begin after the filing of the ECA amendment, Black Hills will be able to provide its customer notice with an aggregated bill impact associated with the amendments to the TCA, PCCA, ECA, and DSMCA. Given that Black Hills will not know the aggregated bill impact until it submits its ECA filing, Black Hills provides below the bill message that will be updated with bill impact information in Black Hills' ECA filing. The bill messages, by customer class, read as follows:

Residential:

“We filed to amend the TCA, PCCA, ECA, and DSMCA rates effective January 1, 2024. If approved, an average monthly residential bill would increase/decrease approximately \$x.xx, or x.xx%. To learn more, visit blackhillsenergy.com/filings or call (888)-890-5554.”

Small Commercial:

“We filed to amend the TCA, PCCA, ECA, and DSMCA rates effective January 1, 2024. If approved, an average monthly commercial bill would increase/decrease approximately \$X.XX, or X.XX%. To learn more visit blackhillsenergy.com/filings or call (888)-890-5554.”

Other Customers:

“We filed to amend the TCA, PCCA, ECA, and DSMCA rates effective January 1, 2024. Customers can call (719)-546-6410 or (719)-546-5869 for information on how the proposed amendments may affect them. Customers can also visit blackhillsenergy.com/filings for more details.”

- c. Publishing a legal notice of the PCCA, ECA, TCA, and DSMCA Advice Letters following the ECA filing on November 30, 2023 (*i.e.*, Attachment 1 – Placeholder Customer Notice), with size dimensions of four columns width and 11 inches height,

in three newspapers of general circulation for the service territory: 1) *The Pueblo Chieftain* (two consecutive Tuesdays, December 5th and December 12th); and 2) the *Cañon City Daily Record* (two consecutive Fridays, December 8th and December 15th); and 3) the *Rocky Ford Daily Gazette* (two consecutive Thursdays, December 7th and December 14th). Given the number of rate adjustments proposed to be effective January 1, 2024, and to avoid customer confusion, the Company is requesting to consolidate the three rates adjustments into one Customer Notice. Consolidating the rate adjustments into one Customer Notice will assist customers in understanding the full scope of impacts associated with the amendments to the PCCA, ECA, TCA, and DSMCA.

4. In order to properly inform the customers regarding the rate change, the Company would like to use the forms of noticing described above. The Company believes that through noticing customers via bill messages, legal notice publication, and the required website posting, the Company will be able to reach all customers in the service territory in an affordable and efficient manner. In the event the Commission denies this Motion, and determines that additional notice is required, the Company will provide additional notice consistent with the Commission's order.

5. There is good cause for the alternative form of notice requested by this Motion. The Company's bill message does not conflict with its billing cycle, and it provides visibility to the customer because it is presented on the first page of the bill, where the customer looks for dollar amount due and the payment deadline. The toll-free phone number provided in the bill message will give customers a second option to learn more about the amended tariff if they cannot access the internet for the Company's website. In addition, the newspaper publications will ensure general

notice to customers throughout the Company's service territory. The newspaper publications will also provide combined notice of the Company's amendments to its PCCA, ECA, TCA, and DSMCA granting customers comprehensive notice of multiple adjustments that will take effect on January 1, 2024. These alternative forms of notice are expeditious and economic for the Company's customers.

6. Wherefore, Black Hills respectfully requests that the Commission approve the alternative form of notice set forth in this Motion to amend the PCCA inputs and rates, on Tariff Sheet Nos. 85 and 86, in the Rates section of its Colo. P.U.C. No. 11-Electric Tariff.

Date: November 15, 2023

Respectfully submitted,

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