

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO
PROCEEDING NO. 19AL-_____ E

IN THE MATTER OF ADVICE LETTER NO. 780 FILED BY BLACK HILLS COLORADO ELECTRIC, LLC TO AMEND THE PURCHASED CAPACITY COST ADJUSTMENT (PCCA) TO BECOME EFFECTIVE JANUARY 1, 2020.

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. 780-Electric. By Advice Letter No. 780-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). In support of the relief requested, Black Hills states as follows:

1. On November 15, 2019, the Company filed Advice Letter No. 780-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 \$0.00077/kWh to \$0.00082/kWh for Residential and Energy Only customers, increase the PCCA rate from \$0.00064/kWh to \$0.00074/kWh for Small General Service customers, increase the PCCA rate from \$0.12445/kW to \$0.18641/kW for Large General Service customers, and

increase the PCCA rate from \$0.23012/kW to \$0.26166/kW for Large Power Service customers. The proposed tariff amendments will increase the annualized PCCA revenues by approximately \$225,591, beginning January 1, 2020.

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 November 27, 2019 to amend its Energy Cost Adjustment ("ECA"). In addition, On November 1, 2019, in Proceeding No. 19AL-0615E, the Company submitted proposed amendments to its Transmission Cost Adjustment ("TCA"). Given the Company's requirement during the month of November to amend the PCCA, ECA, and TCA, the Company is seeking approval in this Motion to provide alternative notice that reflects the filing of these three adjustments.¹

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. 780-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 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. 780-Electric and its accompanying tariff sheets, for forty-five (45) days.

The website posting will include a reference to the applicable proceeding number.

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, and ECA. 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.

The applicable website address for the posting of Advice Letter No. 780-Electric, Attachment 1 – Placeholder Customer Notice, and the accompanying tariff sheets is: <http://www.blackhillsenergy.com/rates/applications>. The Customer Notice includes amendments and impacts of the PCCA, ECA, and TCA filings that will be or have been made in November 2019, 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 27, 2019 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, and TCA filings.²

- b. Printing a message on each applicable customer’s bill providing the website URL for the Customer Notice and Advice Letter No. 780-Electric and its accompanying tariff sheets, and a toll-free phone number for assistance, beginning with the December 2019 bill cycle, which will encompass the TCA filed on November 1, 2019, PCCA filed herein, and ECA amendments separately filed on November 27, 2019. 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, and ECA. Given that Black Hills will not know the aggregated bill impact until it submits its ECA filing, Black Hills provides below

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, and TCA.

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 our TCA, PCCA, and ECA rates to be effective January 1, 2020. An average monthly residential bill would increase/decrease \$X.XX, or X.XX%, from \$XXX.XX to \$XXX.XX. Call 888-890-5554 or visit blackhillsenergy.com/filings for more details.”

Small Commercial:

“We filed to amend our TCA, PCCA, and ECA rates to be effective January 1, 2020. An average monthly small commercial bill would increase/decrease \$X.XX, or X.XX%, from \$XXX.XX to \$XXX.XX. Call 888-890-5554 or visit blackhillsenergy.com/filings for more details.”

Other Customers:

“We filed to amend our TCA, PCCA, and ECA rates to be effective January 1, 2020. Customers can call 719-546-6410 for information on how the proposed amendments may affect them. Visit blackhillsenergy.com/filings for more details.”

- c. Publishing a legal notice of the PCCA, ECA, and TCA Advice Letters following the ECA filing on November 27, 2019 (*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 3rd and December 10th); and 2) the *Cañon City Daily Record* (two consecutive Fridays, December 6th and December 13th); and 3) the *Rocky Ford Daily Gazette* (two consecutive Thursdays, December 5th and December 12th). Given the number of rate adjustments in November 2019 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, and TCA.

4. The above-listed alternative form of notice is necessary, even though Senate Bill 19-236 has changed the alternative form of notices allowable pursuant to C.R.S. § 40-3-104(1)(c)(I). The permissible methods to provide additional notice include: (1) mailing a notice during the first 20 days of the thirty-day period before the effective date; (2) including a bill insert, or a bill message, during a regular billing cycle not later than the 20th day of the thirty-day period before the effective date; (3) sending an email or text message to each affected customer for whom the utility has such information; or (4) other methods proposed by the utility, subject to the Commission’s approval.³ Of these options, the first two are not workable because they either involve unwarranted “time and materials” expenses, or they conflict with the Company’s billing cycles, preventing the Company from delivering bill messages or bill inserts to affected customers during the first 20 days of the thirty-day period before the effective date. The Company issues bills throughout the month covering a 30-day billing cycle. The Company is thus unable to reach all customers with a bill message or bill insert “during the first 20 days of the thirty-day period before the effective date.” The third option of sending an email/text is also not workable for the Company. At this current time, a vast number of the Company’s customers are not enrolled to receive alerts via email/text. Moreover, the email/text “opt-out” provision of C.R.S. § 40-3-104(1)(c)(VII) will require the Company to provide additional notice according to the forms allowable by C.R.S. § 40-3-104(1)(c)(I) for any customer that opts out of receiving an email/text, which raises the same concerns stated above.⁴ In order to properly inform the

³ See C.R.S. § 40-3-104(1)(c)(I).

⁴ Note that while the Company does not believe the alternative form of notice pertaining to customer emails/texts as listed in C.R.S. § 40-3-104(1)(c)(I) is workable, the Company is currently working on other methods to further engage with its customers through such methods.

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, and TCA, granting customers comprehensive notice of multiple adjustments that will take effect on January 1, 2020. 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, 2019

Respectfully submitted,

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