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ADVICE LETTER NO. 113

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

The accompanying tariff sheets issued by Rocky Mountain Natural Gas LLC, d/b/a Black Hills Energy (“RMNG” or the “Company”), are being filed in compliance with the requirements of the Public Utilities Law and the applicable rules of the Public Utilities Commission of the State of Colorado, including Rule 1210, 4 *Colorado Code of Regulations* 723-1. The following tariff sheets are attached:

Colorado PUC Tariff No. 4

Colorado P.U.C. Sheet No.	Title of Sheet	Cancels Colorado P.U.C. Sheet No.
Eighteenth Revised Sheet No. 8	Statement of Rates	Seventeenth Revised Sheet No. 8
Eleventh Revised Sheet No. 9	Statement of Rates (Continued)	Tenth Revised Sheet No. 9
Eleventh Revised Sheet No. 9A	Statement of Rates (Continued)	Tenth Revised Sheet No. 9A

The principal purpose of this filing is to amend the Company’s Colo. PUC No. 4 tariff pursuant to the Revenue Adjustment Mechanism (“RAM”), Tariff Sheet No. 141, Section 22, with a proposed effective date of January 1, 2019. The Company is proposing to amend the tariff for both of the RAM credits, RAM-Firm Transportation Service (“RAM-FTS”) and RAM-No-Notice Storage (“RAM-NNS”).

The Company is proposing to reduce the RAM-FTS credit from (\$1.4392) to (\$0.9228) per Dth of Maximum Daily Transportation Quantity (“MDTQ”) per monthly billing period. Because the RAM-FTS is a credit to the reservation charge for On-System Shippers taking service under Rate Schedule FTS, the reduction to the RAM-FTS credit will increase these Shippers’ total rates by \$0.5164 per Dth of MDTQ per monthly billing period. This change represents a total FTS rate increase to On-System FTS Shippers of 3.41% or \$700,914 on an annual basis, under the Standard Rate Option.

The major driver for the reduction to the RAM-FTS credit is due to tax benefits of \$576,158 for January 1 – May 31, 2018 as a result of the Tax Cuts and Jobs Act (“TCJA”) being passed to FTS On-System Shippers in the previous RAM-FTS credit effective June 1, 2018 through

Colorado PUC E-Filings System

December 31, 2018 in accordance with Paragraph 30, Subsection (b) of the approved Settlement Agreement, Attachment A to Decision No. R18-0263 in Proceeding No. 17AL-0654G. This credit will be fully implemented and no longer applicable to the RAM-FTS beginning January 1, 2019.

In addition, as discussed in Paragraph 72 of Attachment A to Decision No. R18-0263, the proposed RAM-FTS credit includes the true-up of rate case expenses in excess of \$450,000, not to exceed \$525,000, which the Company is entitled to recover through the RAM-FTS. The true-up rate case expense amount included in the RAM-FTS calculation reduces the credit by \$2,569. The RAM-FTS calculation also includes the TCJA Excess Deferred Federal Income Tax (“EDFIT”) impacts required by Section 22.5(h) of the Company’s Tariff Sheet No. 145.

The Company is also proposing to increase the RAM-NNS credit from (\$0.1448) to (\$0.8777) per Dth of Maximum Daily Withdrawal Quantity (“MDWQ”) per monthly billing period. Because the RAM-NNS is a credit to the reservation charge for On-System Shippers taking service under Rate Schedule NNS, the increase to the RAM-NNS credit will reduce these Shippers’ total rates by \$0.7329 per Dth of MDWQ per monthly billing period. This change represents a total NNS rate decrease to On-System NNS Shippers of 5.89% or \$111,694 on an annual basis, under the Standard Rate Option. The major driver for the increase to the RAM-NNS credit is that this year’s calculation also includes a deferred credit from 2018 actual results that is detailed in Attachment C.

Attached hereto are Attachments A-D. Attachment A is the clean version of the applicable proposed tariff sheets. Attachment B provides a redlined version of the applicable tariff sheets. Attachment C provides the calculation of the 2019 RAM Credit. The calculation of the RAM Credit includes the various components pursuant to Tariff Sheet Nos. 142 through 145, paragraph 22.5, subparts a-i. Attachment D is the Notice of Change in the Rates that will be mailed to all affected Shippers and posted on the Company’s website.

RMNG requests the tariff sheets accompanying this advice letter in Attachment A become effective on January 1, 2019. Please send copies of all notices, pleadings, correspondence, and other documents regarding this filing to the undersigned.

Sincerely,

/s/ Eric J. Gillen

Manager, Regulatory