

**NOTICE OF FILING TO CHANGE RATES FOR ALL RATE SCHEDULES AND OTHER
TARIFF REVISIONS EFFECTIVE JUNE 8, 2023**

**COLORADO PUC NO. 1 TARIFF
of Black Hills Colorado Gas, Inc.
d/b/a Black Hills Energy**

You are hereby notified that Black Hills Colorado Gas, Inc. d/b/a Black Hills Energy (“BHCG” or the “Company”), 7060 Alegre Street, Fountain, Colorado 80817, has filed with the Public Utilities Commission of the State of Colorado (“Commission”), in accordance with the Public Utilities Law, an advice letter and revised tariff sheets to increase its base rates in all rate schedules under the Company’s Colorado P.U.C. No. 1 Tariff for all gas sales and transportation services offered by the Company. The annual revenue increase reflects the proposed changes to base rates, including the roll-in of investments currently being recovered through the Company’s System Safety and Integrity Rider (“SSIR”) and the proposed recovery of rate case expenses. The Company is seeking a net increase in annual gas base rate revenues of \$11,339,406 (or 29 percent) in Rate Area 1, \$1,723,932 (or 14 percent) in Rate Area 2, and \$13,753,650 (or 48 percent) in Rate Area 3 for an overall net increase of \$26,668,607 (or 33 percent). The rates, rules, and regulations ultimately authorized by the Commission may or may not be the same as those proposed and may include rates higher or lower than those proposed or currently in effect.

The Company proposes changes in the basic rate structures and the relative amount of revenues collected from each customer class. All rate schedules for gas sales and transportation services are revised for this purpose. The rate schedules are contained in the Company’s Colorado P.U.C. No. 1 Tariff.

The Company is also proposing to:

- (1) Implement a statewide Gas Cost Adjustment through a gradual two-year implementation process and removal of the Western Slope with Storage GCA area.
- (2) Update its depreciation rates for natural gas assets.
- (3) Provide additional textual changes within the tariff of a clarifying or housekeeping nature.

Consistent with Commission rules and Colorado statutes, the proposed effective date for the proposed rate and tariff changes is June 8, 2023.

The projected impacts of the Company’s filing on monthly bills for the average Residential customer is shown in Table 1, for Small Commercial in Table 2, and for Small Commercial Transportation in Table 3.

Table 1 – Average Residential Customer Monthly Bill Impact

Base Rate Area	GCA Region and Communities Served	Current Average Customer Monthly Bill	Proposed Average Customer Monthly Bill	Monthly Change	Percent Change
1	<u>Western Slope Without Storage GCA Region</u> communities located in Delta, Eagle, Garfield, Montrose, Ouray, Pitkin and San Miguel Counties, including the towns of Delta, Glenwood Springs, Hotchkiss, Montrose, Olathe, Paonia, and Telluride	\$109.50	\$115.99	\$6.49	5.9%
1	<u>Western Slope With Storage GCA Region</u> communities located in Eagle, Garfield, and Pitkin Counties, including the towns of Aspen, Carbondale and Eagle,	\$113.64	\$120.13	\$6.49	5.7%
1	<u>North/Southwest GCA Region</u> communities in Larimer and Weld Counties, including the towns of Dacono, Erie, Firestone, Frederick, and Wellington	\$116.37	\$122.86	\$6.49	5.6%

Base Rate Area	GCA Region and Communities Served	Current Average Customer Monthly Bill	Proposed Average Customer Monthly Bill	Monthly Change	Percent Change
2	Central GCA Region communities in Bent, Crowley, and Otero Counties, including the towns of Fowler, La Junta, Las Animas, Rocky Ford, and Swink	\$81.92	\$84.92	\$3.00	3.7%
2	North/Southwest GCA Region communities in Cheyenne, Logan, Morgan, Phillips, Sedgwick, Washington, Weld, Archuleta, La Plata, Mineral and Yuma Counties, including the towns of Akron, Wray Pagosa Springs, Bayfield and Yuma	\$99.96	\$102.96	\$3.00	3.0%
3	Central GCA Region Castle Rock south to Monument, Fountain, Woodland Park, east to Kiowa, Limon and Burlington, and the surrounding areas to these communities	\$76.90	\$87.53	\$10.63	13.8%

Table 2 – Average Small Commercial Customer Monthly Bill Impact

Base Rate Area	GCA Region and Communities Served	Current Average Customer Monthly Bill	Proposed Average Customer Monthly Bill	Monthly Change	Percent Change
1	Western Slope Without Storage GCA Region communities located in Delta, Eagle, Garfield, Montrose, Ouray, Pitkin and San Miguel Counties, including the towns of Delta, Glenwood Springs, Hotchkiss, Montrose, Olathe, Paonia, and Telluride	\$235.89	\$262.06	\$26.17	11.10%
1	Western Slope With Storage GCA Region communities located in Eagle, Garfield, and Pitkin Counties, including the towns of Aspen, Carbondale and Eagle,	\$245.29	\$271.46	\$26.17	10.70%
1	North/Southwest GCA Region communities in Larimer and Weld Counties, including the towns of Dacono, Erie, Firestone, Frederick, and Wellington	\$251.52	\$277.69	\$26.17	10.40%
2	Central GCA Region communities in Bent, Crowley, and Otero Counties, including the towns of Fowler, La Junta, Las Animas, Rocky Ford, and Swink	\$178.05	\$192.96	\$14.91	8.40%
2	North/Southwest GCA Region communities in Cheyenne, Logan, Morgan, Phillips, Sedgwick, Washington, Weld, Archuleta, La Plata, Mineral and Yuma Counties, including the towns of Akron, Wray Pagosa Springs, Bayfield and Yuma	\$221.23	\$236.14	\$14.91	6.70%
3	Central GCA Region Castle Rock south to Monument, Fountain, Woodland Park, east to Kiowa, Limon and Burlington, and the surrounding areas to these communities	\$136.83	\$153.95	\$17.12	12.50%

Table 3 – Average Monthly Bill Impacts - Small Commercial Transportation Customers

Base Rate Area	GCA Region and Communities Served	Current Average Customer Monthly Bill	Proposed Average Customer Monthly Bill	Monthly Change	Percent Change
1	Western Slope Without Storage GCA Region communities located in Delta, Eagle, Garfield, Montrose, Ouray, Pitkin and San Miguel Counties, including the towns of Delta, Glenwood Springs, Hotchkiss, Montrose, Olathe, Paonia, and Telluride	\$371.66	\$582.95	\$211.29	56.85%

Base Rate Area	GCA Region and Communities Served	Current Average Customer Monthly Bill	Proposed Average Customer Monthly Bill	Monthly Change	Percent Change
1	Western Slope With Storage GCA Region communities located in Eagle, Garfield, and Pitkin Counties, including the towns of Aspen, Carbondale and Eagle,	\$371.66	\$582.95	\$211.29	56.85%
1	North/Southwest GCA Region communities in Larimer and Weld Counties, including the towns of Dacono, Erie, Firestone, Frederick, and Wellington	\$371.66	\$582.95	\$211.29	56.85%
2*	Central GCA Region communities in Bent, Crowley, and Otero Counties, including the towns of Fowler, La Junta, Las Animas, Rocky Ford, and Swink	N/A*	N/A*	N/A*	N/A*
2*	North/Southwest GCA Region communities in Cheyenne, Logan, Morgan, Phillips, Sedgwick, Washington, Weld, Archuleta, La Plata, Mineral and Yuma Counties, including the towns of Akron, Wray Pagosa Springs, Bayfield and Yuma	N/A*	N/A*	N/A*	N/A*
3*	Central GCA Region Castle Rock south to Monument, Fountain, Woodland Park, east to Kiowa, Limon and Burlington, and the surrounding areas to these communities	N/A*	N/A*	N/A*	N/A*

*There are currently no Small Commercial Transportation customers in these rate areas.

Summaries of the current and proposed rates are provided in Tables 4 and 5.

Table 4 – Base Rate Changes for Sales Customers

Base Rate Area	Rate Schedule	Current Monthly Customer Charge	Proposed Monthly Customer Charge	Current Volumetric Charge (\$/therm)	Proposed Volumetric Charge (\$/therm)
1	R-1	\$12.00	\$15.00	\$0.22690	\$0.27054
	SC-1	\$22.00	\$26.00	\$0.16681	\$0.28860
	LC-1	\$90.00	\$120.00	\$0.14572	\$0.22800
	I/S-1	\$136.00	\$100.00	\$0.07860	\$0.13000
2	R-2	\$12.00	\$15.00	\$0.33330	\$0.33330
	SC-2	\$23.00	\$26.00	\$0.23928	\$0.32080
	LC-2	\$96.00	\$120.00	\$0.17258	\$0.26280
	I/S-2	\$60.00	\$100.00	\$0.14153	\$0.16680
3	R-3	\$12.00	\$15.00	\$0.12327	\$0.23072
	SC-3	\$17.00	\$26.00	\$0.12153	\$0.18500
	LC-3	\$70.00	\$120.00	\$0.09918	\$0.14800
	LCI-3	\$70.00	\$120.00	\$0.09918	\$0.14800
	I/S-3	\$60.00	\$100.00	\$0.07672	\$0.08270

Table 5 –Base Rate Changes for Transportation Customers

Base Rate Area	Rate Schedule	Current Administrative Charge	Proposed Administrative Charge	Current Volumetric Charge (\$/therm)	Proposed Volumetric Charge (\$/therm)	Current Monthly Customer Charge	Proposed Monthly Customer Charge
1	SCTS-1	\$50.00	\$50.00	\$0.16681	\$0.28860	\$22.00	\$26.00
	LCTS-1	\$50.00	\$50.00	\$0.14572	\$0.22800	\$90.00	\$120.00
	I/STS-1	\$50.00	\$50.00	\$0.07860	\$0.13000	\$136.00	\$100.00
2	SCTS-2	\$50.00	\$50.00	\$0.23928	\$0.32080	\$23.00	\$26.00
	LCTS-2	\$50.00	\$50.00	\$0.17258	\$0.26280	\$96.00	\$120.00
	I/STS-2	\$50.00	\$50.00	\$0.14153	\$0.16680	\$60.00	\$100.00
3	SCTS-3	\$50.00	\$50.00	\$0.12153	\$0.18500	\$17.00	\$26.00
	LCTS-3	\$50.00	\$50.00	\$0.09918	\$0.14800	\$70.00	\$120.00
	I/STS-3	\$50.00	\$50.00	\$0.07672	\$0.08270	\$60.00	\$100.00

Customers may call Black Hills at phone number (888) 890-5554 to obtain information concerning how requested rate and tariff changes may affect them.

Copies of the Advice Letter and accompanying tariffs as filed with the Commission are available for inspection at the public offices of BHCG at 7060 Alegre Street, Fountain, Colorado 80817; on the Company’s website at www.blackhillsenergy.com/filings, or at the office of the Commission at 1560 Broadway, Suite 250, Denver, Colorado 80202. Customers with questions concerning the proposed or present tariffs may call the Commission at (303) 894-2000 or contact Black Hills by email customerservice@support.blackhillsenergy.com. In addition, the Company’s proposed and present tariffs may be viewed at www.blackhillsenergy.com/filings and the applicable Colorado statutes and Commission rules may be viewed at <https://puc.colorado.gov>.

Any person may file written comments or objections concerning the filing, or may request written notice of any hearing, with the Commission, 1560 Broadway, Suite 250, Denver, Colorado, 80202 or <https://puc.colorado.gov/puccomments>. The Commission will consider all written comments and objections submitted prior to the evidentiary hearing.

Filing a written objection (protest) by itself will not allow you to participate as a party in any proceeding established in these matters. If you wish to participate as a party in this matter, you must file written intervention documents under Commission Rule 723-1-1401, 4 Colorado Code of Regulations 723-1 or any applicable Commission order. The Commission may hold a public hearing in addition to an evidentiary hearing. If such a hearing is held, any member of the public may attend and make a statement under oath about the proposed tariffs, whether he or she has filed an objection or intervention. If the filing is uncontested or unopposed, the Commission may determine the matter without a hearing and without further notice.

By: Michael J. Harrington, Director
Regulatory and Finance