



NEWS RELEASE

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DORA's Office of Consumer Counsel, other parties reach agreement with Black Hills/Electric Utility Company on energy efficiency plan

DENVER – The Colorado Office of Consumer Counsel (“OCC”), a Division of the Colorado Department of Regulatory Agencies, negotiated an agreement with Black Hills/Colorado Electric Utility Company (“Black Hills”) on a three-year energy efficiency and conservation plan that will greatly benefit consumers. The settlement is for more than twice the amount of electric savings Black Hills originally proposed. The Colorado Public Utilities Commission (“PUC”) has approved the agreement, which also included the Southwest Energy Efficiency Project, the staff of the PUC, and some of Black Hills’ largest customers.

Black Hills will save about 202,000 megawatt-hours by 2018, about 11 percent of 2006 electricity sales. In all, Black Hills is proposing to increase its spending on energy efficiency and conservation by about \$1.6 million, \$1.25 million of which is due to the new programs.

State law requires investor owned electric utilities, such as Black Hills, to achieve at least five percent in energy efficiency and energy conservation by 2018. The company agreed to expand those programs and to add three new residential ones.

“The OCC supports cost-effective demand side management (“DSM”) because it saves customers money,” said Bill Levis, director of the OCC. “DSM also avoids burning fuel to generate electricity so it is generally the most environmentally friendly way to serve customers.”

Black Hills Electric’s original plan proposed saving 5.15 percent by 2018. The OCC recommended that Black Hills more than double its savings to just under 12 percent of its 2006 electricity sales.

Energy conservation and efficiency often cost about one-half to one-third what additional generation would cost. Under the settlement agreement, Black Hills will spend about \$750,000 over three years on residential energy-efficient lighting. It would cost about \$1.6 million to provide the electricity that will be avoided by this residential program.

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The OCC's mission is to represent the interests of residential, small business and agricultural energy and telecommunication consumers by promoting affordable, reasonably priced, high quality, reliable service.

DORA is dedicated to preserving the integrity of the marketplace and is committed to promoting a fair and competitive business environment in Colorado. Consumer protection is our mission.