

Decision No. C25-0122-I

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 24AL-0275E

IN THE MATTER OF ADVICE LETTER NO. 871 FILED BY BLACK HILLS COLORADO ELECTRIC, LLC DOING BUSINESS AS BLACK HILLS ENERGY TO INCREASE BASE RATES FOR RESIDENTIAL AND SMALL COMMERCIAL CUSTOMER CLASSES, TO BECOME EFFECTIVE JULY 15, 2024.

**INTERIM COMMISSION DECISION
SCHEDULING TECHNICAL CONFERENCE AND
REQUIRING FILINGS**

Issued Date: February 20, 2025

Adopted Date: February 19, 2025

I. BY THE COMMISSION

A. Statement

1. On June 14, 2024, Black Hills Colorado Electric, LLC, doing business as Black Hills Energy (“BHCOE” or the “Company”) filed Advice Letter No. 871 (“AL 871”) with tariff sheets to revise base rate revenue for all electric service in the Company’s Colorado PUC No. 11 Tariff, along with certain other changes to its tariff.

2. By this Decision, the Commission schedules a remote technical conference to be held before an Administrative Law Judge on March 3, 2025, and requires certain filings by BHCOE, prior to and following the technical conference, as discussed further below.

B. Background

3. By Decision No. C24-0489, issued July 9, 2024, the Commission set for hearing and suspended the effective date of the tariff sheets filed with AL 871 for 120 days, to November 12, 2024, pursuant to § 40-6-111(1), C.R.S.

4. By Decision No. C24-0581-I,¹ issued on August 13, 2024, the Commission suspended the effective date of the tariff sheets filed with AL 871 an additional 130 days, to March 22, 2025, pursuant to § 40-6-111(1), C.R.S. By the same decision, the Commission established the parties to this Proceeding,² set a prehearing conference for August 22, 2024, and required BHCOE to confer with the parties and file a proposed procedural schedule by August 16, 2024. The procedural schedule was to include a date for a public comment hearing.

5. By Decision No. C24-0608-I the Commission adopted a procedural schedule that included hearing dates of December 2 through 6, and 9 through 11, 2024. The Commission held the evidentiary hearing in this matter on those dates.

6. Parties in this Proceeding filed post-hearing Statements of Position on January 10, 2025.

7. The Commission conducted its deliberations for a final decision in this matter at the Commissioners' Weekly Meetings held on February 12 and 19, 2025.

¹ Decision No. C24-0581-I was initially issued in error as Decision No. C24-0580-I. An errata correcting that error issued on August 20, 2024.

² Parties to this Proceeding are: BHCOE; Staff of the Commission; the Colorado Office of Utility Consumer Advocate; the City of Pueblo, County of Pueblo, and Pueblo Economic Development Corporation; Energy Outreach Colorado; Laborers International Union of North America, Local 720; Colorado Solar and Storage Association and the Solar Energy Industries Association; Board of Water Works of Pueblo, The Fountain Valley Authority, and Colorado Springs Utilities/Southern Delivery System; City of Canon City and City of Florence; Electrify America, LLC; Western Resource Advocates/Sierra Club; and Holcim (U.S.), Inc.

C. Findings and Conclusions

8. We conclude that it is necessary for BHCOE to calculate the new base rates for effect March 22, 2025, before we render our final written decision in this matter. The Commissioners and Commission advisory staff do not have the ability to update the Company's cost of service study ("COSS") to derive its established overall annual base rate revenue requirement for the Company's electric system or to update the accompanying class-allocated cost of service study ("CCOSS") to drive the annual revenue requirement for each rate class based on allocations of the components of the overall revenue requirement, including the approved rate mitigation methodology. We must therefore require BHCOE to update the COSS and the CCOSS and to file those updates.

9. Accordingly, we direct BHCOE to update its COSS and CCOSS and to design new base rates to replace those on the tariff sheets filed with AL 871 based on our oral deliberations on February 12 and 19, 2025. BHCOE shall also prepare a summary of the new base rates to replace those on the tariff sheets filed with AL 871. BHCOE shall also complete a bill impact summary in relation to these rates. BHCOE shall also file an updated Sheet No. 71 of its Demand Side Management Cost Adjustment ("DSMCA") in accordance with the changes in projected sales revenue resulting from the final decision in this Proceeding.

10. BHCOE shall file in this Proceeding **no later than February 28, 2025**, the updated COSS and CCOSS, base rate summary, the updated DSMCA rider tariff sheet, and the bill impact analysis described above. Electronic executable files of worksheets and models shall also be filed via the Commission's E-Filings system so that they are available to the parties, the Commissioners, and Commission advisory staff.

11. We also conclude that a technical conference is necessary to assist the Commission in establishing the final rate to be implemented as a result of this Proceeding. We therefore schedule a remote technical conference on March 3, 2025. At the technical conference, BHCOE shall present the calculation of the base rate revenue requirement and the COSS, the results of the CCOSS, the base rate summary, the updated DSMCA rider tariff sheet, and the bill impact analysis. The technical conference will be held before an Administrative Law Judge and will be conducted on the record.

12. The remote technical conference will be held using the web-hosted video conferencing service Zoom. To minimize the potential that the video conference maybe disrupted by non-participants, the link and meeting ID or access code will be provided to parties by email before the technical conference, and the parties are prohibited from distributing that information to anyone not participating in the technical conference. The public may view the technical conference through the Commission's YouTube channel, which is available at: <https://www.youtube.com/@COPublicUtilitiesCommission>.

13. In order to facilitate our final examination of revenue requirements, rates, and tariffs, we also direct BHCOE to refile the subset of tariff sheets initially filed with AL 871 that will be modified to implement the base rates established by the Commission. The updated tariff sheets shall show the modified base rates in redline, calculated in accordance with our oral deliberations on February 12 and 19, 2025, the presentation made at the March 3, 2025 technical conference, and any subsequent modifications required by the Commission, if applicable. The updated tariff sheet filing shall include any further updates to the COSS, CCOSS, base rate summary, the updated DSMCA rider tariff sheet, and bill impact analysis and shall be submitted no later than **March 10, 2025**.

II. ORDER

A. It Is Ordered That:

1. Black Hills Colorado Electric, LLC, doing business as Black Hills Energy (“BCHOE”) shall file an updated cost of service study, the accompanying class-allocated cost of service study, a base rate summary, an updated Sheet No. 71 of its Demand Side Management Cost Adjustment, and a bill impact analysis **no later than February 28, 2025**, consistent with the discussion above.

2. A remote technical conference to be held before an Administrative Law Judge is scheduled in this matter as follows:

DATE: March 3, 2025

TIME: 10:00 a.m. until concluded

LOCATION: By video conference using Zoom at a link to be provided to the parties by email prior to the technical conference.

3. BCHOE shall file updates to the tariff sheets initially filed with Advice Letter 871 **no later than March 10, 2025**, consistent with the discussion above.

4. This Decision is effective immediately upon its Issued Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
February 19, 2025.**

(S E A L)



ATTEST: A TRUE COPY

Rebecca E. White,
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

ERIC BLANK

MEGAN M. GILMAN

TOM PLANT

Commissioners