

BLACK HILLS/COLORADO ELECTRIC UTILITY COMPANY, LP

d/b/a Black Hills Energy

105 South Victoria

Pueblo, Colorado 81003-0075

Colo. PUC No. 9

First Revised Original Sheet No. 68

Cancels Original Sheet No. 68

**DEMAND SIDE MANAGEMENT COST ADJUSTMENT (DSMCA)
ELECTRIC**

Definitions:

Effective July 1, 2012, the annual determination periods, DSMCA filing dates and goals will be as follows: The Company has a Demand Side Management Plan ("DSM Plan") in effect which authorizes implementation of a Demand Side Management Cost Adjustment (DSMCA) Rider as provided below. The DSM Plan is approved by the Public Utilities Commission of the State of Colorado.

Definitions:

Determination Period: The DSM Plan plan year ("Plan Year") period in which the Demand Side Management Program ("DSMP") costs, DSMP revenues, and DSMP cost remainder are accumulated for Public Utilities Commission ("PUC") review and authorized recovery.

April First DSMCA Filing Date: On April 1 each year, The annual date at which the Company will formally submit an Annual Report on the status and performance of each DSM program and apply with the Commission PUC for revisions to its DSMCA to reflect recovery of the Financial Disincentive Offset and Performance Incentive and any over or under collection of prior year costs. The DSMCA rate will be calculated to recover these costs over twelve consecutive billing months beginning July 1 (ninety days after filing).

October Second DSMCA Filing Date: On October 1 each year, The annual date at which the Company will formally apply with the Commission PUC for revisions to its annual Demand Side Management Cost Adjustment ("DSMCA") to reflect the approved budget for the next Plan Year. The DSMCA rate will be calculated to recover these costs over twelve consecutive billing months beginning January 1 of the next year (ninety days after filing).

DSMP Costs: Costs eligible for DSMCA treatment include the actual demand side management expenses associated with contractors, load research equipment, computer equipment and other miscellaneous program costs associated with the Demand Side Management Program ("DSMP"). DSMCA program expenses directly related to ERP planning will not be eligible for recovery through the DSMCA. Company DSM-related employee costs that are covered by base rates will not be eligible for recovery through the DSMCA. The Company will not be permitted to recover any lost revenue associated with the DSM programs.

Recovered DSMP Costs: Amount billed to customers for recovery of DSMP costs: calculated by multiplying the actual sales revenue billed to customers in applicable rate classes times the DSMCA Rider then in effect.

Advice Letter No. 669 Amended	Decision or Authority No. C13-0794	
Signature of Issuing Officer Fred Stoffel	Issue Date August 2, 2013	
Title Director- Regulatory Affairs Services-Colorado	Effective Date August 3, 2013	

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First Revised Original Sheet No. 69

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**DEMAND SIDE MANAGEMENT COST ADJUSTMENT (DSMCA) (CONTINUED)
ELECTRIC**

Definitions
cont.:

DSMP Revenues: Application fees or other revenues collected from DSMP participants.

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DSMP Cost Remainder: The net difference between the actual DSMP costs, recovered DSMP costs and DSMP Revenues for a Determination Period. This net difference will be accumulated and collected or refunded over twelve consecutive billing months as approved for the April First DSMCA Filing.

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Financial Disincentive Offset. Contingent upon the successful implementation of Commission approved DSM programs, the Company is authorized to collect \$150,000 in additional after-tax revenue annually through the DSMCA. Successful implementation is accomplished when eighty percent of the annual Energy Savings Goal, as reflected in the approved DSM Plan, is achieved. Application for recovery of the Financial Disincentive Offset shall be made with the April Second DSMCA Filing in conjunction with the filing of the Annual Report.

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Performance Incentive. Contingent upon the successful execution of Commission approved DSM programs, the Company is authorized to collect a performance incentive as follows:

- For each one percent of DSM Energy Savings Goal attainment beyond eighty percent, the Company shall earn two tenths of one percent of the net economic benefits achieved, up to a level of ten percent at one hundred thirty percent of goal attainment.
- For each one percent of DSM Energy Savings Goal attainment beyond one hundred thirty percent, the Company shall earn one tenth of one percent of the net economic benefits achieved, up to a level of twelve percent at one hundred fifty percent of goal attainment.

Application for recovery of the performance incentive bonus shall be made with the April Second DSMCA Filing in conjunction with the filing of the Annual Report.

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Incentive Cap. The sum of the Financial Disincentive Offset and the Performance Incentive shall be limited to an amount equal to twenty percent of the total annual expenditure on DSM for each Plan program-y Year.

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Applicable Rate Classes: The rate classes the DSMCA rider shall be applied to applicable rate classes as separately provided on other sheets within this Colo.

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Advice Letter No.
669-Amended

Decision or Authority No.
G13-0794

Signature of Issuing Officer
Fred Stoffel

Issue Date
August 2, 2013

Title Director- Regulatory Affairs
Services-Colorado

Effective Date
August 3, 2013

PUC No. 9 tariff, consist of RS-1, SGS-N, SGS-D, LGS-S, LGS-P, LPS-S, LPS-P,
LPS-T and IP-1.

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Colo. PUC No. 9

First Revised Original Sheet No. 70

Cancels Original Sheet No. 70

**DEMAND SIDE MANAGEMENT COST ADJUSTMENT (DSMCA) (CONTINUED)
ELECTRIC**

DSMCA Rider
Filing Application
on:

The base rate for electricity will be adjusted subject to an appropriate filing with and application and approval by the Commission-PUC. Such filing application will include the Determination Period costs and revenues. In addition, the filing application will include the calculated DSMCA rider rounded to the nearest 0.00%, proposed new tariff sheet, and any required support. The proposed new tariff sheet shall include, in addition to the proposed DSMCA Rider, Total Projected DSMP Cost – Current Determination Period; Total Projected DSMP Revenue – Current Determination Period; Total Actual DSMP Cost Remainder – Prior Determination Period; Net DSMP Cost to be Recovered; Financial Disincentive Offset – Prior Determination Period; Performance Incentive – Prior Determination Period; and Projected Sales Revenue.

The DSMCA Rider formula:

$$(C - F \pm R + B + P) / S$$

Where:

C = Projected DSMP costs for the current Determination Period
F = Projected DSMP revenue for the current Determination Period
R = DSMP cost remainder from the prior Determination Period
B = Financial Disincentive Offset from the prior Determination Period
P = Performance Incentive from the prior Determination Period
S = Projected Sales Revenue (Dollars)

Additional
Annual
Report April
Filing
Requirements:

The following information will be filed annually, on or before April 1 submitted on the annual report filing date:

1. Annual Report. The Annual Report contains the prior Plan Year status and performance report for each DSM program covered under the DSM Plan. The Annual Report will include: the results achieved during the previous plan year, in total and by program, including participation, achieved energy and demand savings, actual expenditures, and net economic benefits achieved, for which recovery is being sought;
- 4.2. Evaluation, Measurement and Verification ("EM&V") Report(s). The EM&V Report(s) contain program evaluations, which will be filed as required by the approved DSM Plan.

Advice Letter No. 669-Amended	Decision or Authority No. G13-0794	
Signature of Issuing Officer Fred Stoffel	Issue Date August 2, 2013	
Title Director- Regulatory Affairs Services-Colorado	Effective Date August 3, 2013	

Settlement Agreement, Proceeding No. 15A-0424E, Attachment 1 Attachment MED-2

- ~~2. actual and projected costs (for the remaining determination periods) including itemized DSM-related employee costs for each DSM program for which recovery is being sought;~~
- ~~3. estimated DSM program costs for each program for the remaining determination periods;~~
- ~~4. total actual and projected annual DSMP costs, DSMP revenues, and DSMP cost remainders;~~
- ~~5. projected sales revenues;~~
- ~~6. actual and projected DSMCA riders; and~~
- ~~7. actual and projected average rate impacts.~~

~~This Demand-Side Management Cost Adjustment tariff will expire on December 31, 2015.~~

Advice Letter No. 669 Amended	Decision or Authority No. C13-0794	
Signature of Issuing Officer Fred Stoffel	Issue Date August 2, 2013	
Title Director- Regulatory Affairs Services-Colorado	Effective Date August 3, 2013	

Advice Letter No. 692	Decision or Authority No. G14-1504	
Signature of Issuing Officer /s/ Fredric C. Stoffel	Issue Date December 29, 2014	
Title Director, Regulatory Services Colorado	Effective Date January 1, 2015	