

BLACK HILLS COLORADO ELECTRIC, LLC
d/b/a BLACK HILLS ENERGY

	Colo. PUC No.	11
	Cancels Colo. PUC No.	10
	Second Revised	Sheet No. 62
Cancels	First Revised	Sheet No. 62

<p align="center">ENERGY COST ADJUSTMENT (CONTINUED) ELECTRIC</p>
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Energy Sales Net Income: The net of Off-System Sales Revenue as recorded in FERC account 447 and Fuel Off-System Other Production Expense as recorded in FERC account 547, Purchased Power Off-System Sales Expense as recorded in FERC account 555, Off-System Transmission Expense as recorded in FERC account 565, and Generation Dispatch & Marketing Bonuses as recorded in FERC account 926.

Incentive Sharing (IS): Determined on a calendar year basis, the remaining previous calendar year Energy Sales Net Income not previously included in a current year ECA revision shall be included in each current ECA revision. If the previous calendar year Energy Sales Net Income is negative, the negative Energy Sales Net Income shall not be passed on to retail customers. If the previous calendar year Energy Sales Net Income is positive, the positive Energy Sales Net Income shall be shared annually with retail customers through the ECA as follows:

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|--|---|
| (1) For calendar years 2014 through 2027, sharing shall be at ninety percent (90%) to retail customers / ten percent (10%) to the Company. | T |
| (2) Continuation of IS for calendar year 2028 and subsequent years shall depend on the Commission's decision in an application to be filed on or before May 1, 2027, to continue the incentive mechanism for off-system sales. | T |

Net RESA Transfer: The net of (1) RESA incremental cost or savings of renewable purchase agreements, (2) less the sum of avoided cost of on-site small solar production, (3) plus the avoided cost of Company-owned eligible energy resources, prior to the resource being placed in base rates, (4) for Company-owned eligible energy resources placed in base rates, adjustments to offset any incremental costs or savings applied to the RESA associated with the production, and (5) any adjustments approved by the Commission include, but are not limited to, the adjustments related to eligible energy resources proposed by the Company in Proceeding No. 16A-0436E.

Recovery True-up: The monthly difference between actual costs and costs recovered shall be recorded in FERC Account 182.3. This amount plus the monthly customer deposit interest rate will be amortized over the filing period.

Advice Letter No.:		Decision or Authority No.	
Signature of Issuing Officer:	/s/ Nick Wagner	Issue Date:	
Title:	Vice President – Regulatory	Effective Date:	

BLACK HILLS COLORADO ELECTRIC, LLC

d/b/a BLACK HILLS ENERGY

Colo. PUC No. 11Cancels Colo. PUC No. 10~~Second~~~~First~~ Revised Sheet No. 62Cancels ~~First Revised~~~~Original~~ Sheet No. 62ENERGY COST ADJUSTMENT (CONTINUED)
ELECTRIC

Energy Sales Net Income: The net of Off-System Sales Revenue as recorded in FERC account 447 and Fuel Off-System Other Production Expense as recorded in FERC account 547, Purchased Power Off-System Sales Expense as recorded in FERC account 555, Off-System Transmission Expense as recorded in FERC account 565, and Generation Dispatch & Marketing Bonuses as recorded in FERC account 926.

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- (1) For calendar years 2014 through 202~~7~~4, sharing shall be at ninety percent (90%) to retail customers / ten percent (10%) to the Company. T
- (2) Continuation of IS for calendar year 202~~8~~5 and subsequent years shall depend on the Commission's decision in an application to be filed on or before May 1, 202~~7~~4, to continue the incentive mechanism for off-system sales. T

Net RESA Transfer: The net of (1) RESA incremental cost or savings of renewable purchase agreements, (2) less the sum of avoided cost of on-site small solar production, (3) plus the avoided cost of Company-owned eligible energy resources, prior to the resource being placed in base rates, (4) for Company-owned eligible energy resources placed in base rates, adjustments to offset any incremental costs or savings applied to the RESA associated with the production, and (5) any adjustments approved by the Commission include, but are not limited to, the adjustments related to eligible energy resources proposed by the Company in Proceeding No. 16A-0436E.

Recovery True-up: The monthly difference between actual costs and costs recovered shall be recorded in FERC Account 182.3. This amount plus the monthly customer deposit interest rate will be amortized over the filing period.

Advice Letter No.:	811	Decision or Authority No.	C21-0542
Signature of Issuing Officer:	/s/ Nick Wagner	Issue Date:	September 28, 2021
Title:	Vice President -- Regulatory, Colorado Regulatory Affairs and Policy	Effective Date:	October 1, 2021