

**BLACK HILLS/COLORADO ELECTRIC UTILITY COMPANY, LP**  
d/b/a BLACK HILLS ENERGY  
105 South Victoria  
Pueblo, Colorado 81003

	Second Revised	Sheet No.	45
Cancels	First Revised	Sheet No.	45

Colo. PUC No. 8

ENERGY COST ADJUSTMENT ELECTRIC
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### DEFINITIONS

**Test Period:** The test period will be actual costs incurred during the period of March through August and September through February. The filing date for the March through August test period will be October 1 and for the September through February test period will be April 1. The recovery period will be 30 days from the filing date and be effective for the next six months.

**Recovery Period:** The billing months during which the Cost Adjustment Factor (CAF) for the previous Test Period is applied to retail customer billings on a per kilowatt-hour (kWh) basis.

**Costs:** Costs eligible for Energy Cost Adjustment (ECA) will be the Company's total book costs for fuel consumed in Company generating units, purchased power energy charges, and all costs related to gas price volatility risk management. Costs do not include purchased power demand charges. C  
N

### APPLICATION

The price per kWh of electricity sold will be adjusted subject to application of the ECA mechanism and approval by the Public Utilities Commission. The price will reflect test period costs above or below base costs specified on Sheet No. 46 for:

- |     |   |   |
|-----|---|---|
| (1) | fuel consumed in Company electric generating plants, plus   |   |
| (2) | purchased energy (excluding demand), plus   | C |
| (3) | all costs related to gas price volatility risk management, plus or minus  | N |
| (4) | an adjustment for recovery period sales variation. This is based on the difference between the value of $[(F + P + R - (\$0.02239 \times \text{test period sales}))]$ minus $[(CAF \times \text{Actual Recovery Period kWh sales}) \pm C]$ during the recovery period. This amount will be collected during the next recovery period. | N |

Advice Letter No.	Decision or Authority No.	
Signature of Issuing Officer	Issue Date	
Title	Effective Date	

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ENERGY COST ADJUSTMENT (CONTINUED) ELECTRIC
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- (5) Interest-Deferred electric energy costs shall be determined monthly. The resulting amount, whether negative or positive will be accumulated for the same test period. In addition, interest at a rate equal to the interest rate paid on customer deposits will be applied to the deferred electric energy costs on an average monthly basis and will be accumulated for the same test period. If the accumulated interest is negative it shall be included in the determination of the ECA. If the interest is positive, it shall be excluded from the determination of the ECA. The accumulated interest shall be included in the determination of the ECA. C

The ECA will be the sum of (1), (2), (3), (4), and (5). The Cost Adjustment Factor is the result of dividing the ECA by test period kWh sales, rounded to the nearest \$.00000. The formula and components are displayed below. C

$$ECA = [(F + P + R - B)] \pm C \pm I$$
 N

The Cost Adjustment Factor (CAF) is as follows:

$$CAF = \frac{ECA}{S}$$

Where:

- F = Actual cost of fuel  
P = Actual cost of purchased energy  
R = Gas price volatility risk management N  
B = Base cost of fuel and purchased power energy = S x \$.02239  
C = Under/over recovery from prior period  
S = Total system sales (kWh)  
I = Interest

APPLICABLE BASE COST

Company generated energy and purchased energy per kWh sold, \$.02239.

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