

Decision No. C25-0166

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 TO INCREASE BASE RATE REVENUES, TO IMPLEMENT REVISED BASE RATES FOR ALL RATE SCHEDULES, AND OTHER TARIFF REVISIONS EFFECTIVE JULY 15, 2024.

**COMMISSION DECISION
DENYING WESTERN RESOURCE ADVOCATES AND
SIERRA CLUB MOTION TO SUPPLEMENT THE FILINGS
ORDERED BY DECISION NO. C25-0122-I**

Issued Date: March 7, 2025
Adopted Date: March 5, 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 P.U.C. No. 11 Tariff, along with certain other changes to its tariff.

2. By Decision No. C25-0122-I, issued on February 20, 2025, the Commission scheduled a technical conference before an Administrative Law Judge (“ALJ”) for March 3, 2025, and ordered the Company to file several updated draft tariff sheets and other filings to assist the Commission in drafting a final written decision in this Proceeding.

3. By this Decision, the Commission denies the Motion to Supplement the filings Ordered by Decision No. C25-0122-I filed by Western Resource Advocates and Sierra Club (“WRA/SC”) on February 25, 2025.

B. Background

4. 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.

5. 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

6. 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 an evidentiary hearing in this matter on December 2 through 6 and 9 through 11, 2024, scheduled by Decision No. C24-0608-I.

7. Parties in this Proceeding filed post-hearing Statements of Position on January 10, 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 (UCA); the City of Pueblo, County of Pueblo, and Pueblo Economic Development Corporation (collectively “Pueblo”); Energy Outreach Colorado (EOC); Laborers International Union of North America, Local 720; Colorado Solar and Storage Association and the Solar Energy Industries Association (jointly “COSSA/SEIA”); Board of Water Works of Pueblo, The Fountain Valley Authority, and Colorado Springs Utilities/Southern Delivery System (collectively “Public Utility Intervenors”); City of Canon City and City of Florence (jointly “Canon City/Florence”); Electrify America, LLC; Western Resource Advocates/Sierra Club (jointly “WRA/Sierra Club”); Holcim (U.S.), Inc.

8. The Commission began its deliberations for a final decision in this matter at the Commission's Weekly Meeting ("CWM") on February 12, 2025. The Commission concluded its deliberations at the CWM on February 19, 2025.

9. By Decision No. C25-0122-I, the Commission scheduled a technical conference in this Proceeding for March 3, 2025, at 10 am in front of an assigned ALJ.

10. On February 21, 2025, Staff filed a Motion in which it requests that the Commission schedule an additional day prior to March 10, 2025, for the technical conference. By Decision No. C25-0139-I, the Commission denied the Motion Requesting an Additional Day of Hearing for the Technical Conference filed by Trial Staff on February 21, 2025.

11. On February 25, 2025, WRA/SC filed a Motion to Supplement the filings Ordered by Decision No. C25-0122-I ("Motion").

12. On February 26, 2025, BHCOE filed response to WRA/SC's Motion ("BHCOE Response").

13. On March 3, 2025, the Commission held a technical conference in front of ALJ Segev which lasted approximately one hour and at which Commission advisory staff asked technical, clarifying questions on the Company's presentation.

C. Discussion

14. In Decision No. C25-0122-I, the Commission ordered BHCOE to update its COSS and CCOSS and to design new base rates to replace those on the tariff sheets filed with Advice Letter No. 871 based on our oral deliberations on February 12 and 19, 2025. BHCOE was also ordered to prepare a summary of the new base rates to replace those on the tariff sheets filed with Advice Letter No. 871, a complete a bill impact summary in relation to these rates, and an updated

Tariff Sheet No. 71 of its DSMCA in accordance with the changes in projected sales revenue resulting from the final decision in this Proceeding no later than February 28, 2025.

15. The Commission also scheduled a technical conference in this Proceeding because it found 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. We indicated that at the technical conference, BHCOE shall present the calculation of the base rate revenue requirement and the COSS, the results of the CCOSS, the rate summary, the updated DSMCA rider tariff sheet, and the bill impact analysis. The technical conference was held before ALJ Segev on March 3, 2025.

16. The Commission also ordered BHCOE to file modified base rates in redline, calculated in accordance with our oral deliberations on February 12, 2025, and February 19, 2025, the presentation made at the March 3, 2025 technical conference, and any subsequent modifications required by the Commission through its continuing deliberations, no later than March 10, 2025.

17. Throughout the Proceeding, WRA/SC proposed two voluntary heat pump rate options that it asserts comply with Senate Bill (“SB”) 24-215, a Seasonal Rate (“RS-HP”) and a Seasonal Time-Of-Use Rate (“RS-HP-TOU”). At oral deliberations, the Commission discussed WRA/SC’s proposed rates but declined to order the adoption of either in this Proceeding.

18. In WRA/SC’s Motion, it requests that the Commission direct, or at least encourage, Black Hills to evaluate a version of WRA/SC’s proposed RS-HP-TOU rate available to all residential customers in its updated COSS and CCOSS, for further consideration prior to a final Commission decision. WRA/SC argue that the filings ordered in Decision No. C24-0122-I as well as the technical conference provide an opportunity to fully evaluate a version of WRA/SC’s rate proposal that is available to all residential customers through the CCOSS process. WRA/SC argue

that such an evaluation would provide an ample record upon which to approve this modified version of WRA/SC's rate proposal and thereby address the Commission's outstanding concern with approving a rate pursuant to SB 24-214 in this Proceeding which could be addressed through applications for rehearing, reargument, or reconsideration ("RRR"). WRA/SC are not requesting the Commission issue a decision on the merits of the RS-HP-TOU rate through its Motion.

19. In Response, BHCOE states that objects to providing new evidence in this Proceeding to be used by WRA/SC in its future RRR filing. BHCOE points out that the Commission did not order BHCOE to file this information in its February 28, 2025 filing, nor address this information during the March 3, 2025 technical conference. BHCOE argues that such analyses would constitute new evidence, which could not be addressed by cross-examination or rebuttal testimony in this Proceeding, because the evidentiary record is closed. The Company points out that time is short for the Commission to issue a decision before the statutory deadline of March 22, 2025, when rates go into effect and notes that WRA/SC's Motion was filed too late for consideration at the February 26, 2025 CWM. BHCOE argues that the Motion should be denied as untimely, outside the purpose of the technical conference as ordered by the Commission, and an attempt to introduce new evidence after the record is closed and without sufficient due process.

D. Findings and Conclusions

20. We deny WRA/SC's Motion as moot. We find that the Motion was not filed with sufficient time to consider the Motion prior to the technical conference and associated filing deadlines, which occurred on March 3, 2025, and as such the Motion is moot. We also agree with BHCOE that the evidentiary record in this Proceeding is closed; no new or additional evidence was or could be obtained at the technical conference. The Commission has completed deliberations based on the record before it and needed the technical conference only to confirm final calculations

before completing the written decision. The technical conference serves only as a venue to have the Company provide an informative presentation so the Commission can see the final results of what it authorized the Company to do orally at deliberations, not develop the record for additional advocacy on RRR.

21. For these reasons, we deny WRA/SC's Motion. The filing requirements and deadlines established by Decision No. C25-0122-I are unchanged.

II. ORDER

A. The Commission Orders That:

1. The Motion to Supplement the filings Ordered by Decision No. C25-0122-I filed by Western Resource Advocates and Sierra Club on February 25, 2025, is denied, consistent with the discussion above.

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

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
March 5, 2025.**

(S E A L)



ATTEST: A TRUE COPY

Rebecca E. White,
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

MEGAN M. GILMAN

TOM PLANT

Commissioners

COMMISSIONER ERIC BLANK
ABSENT