

**BLACK HILLS POWER, INC.**  
**d/b/a BLACK HILLS ENERGY**  
SD PUC DOCKET: EL16-042

REQUEST DATE : 1/27/17

RESPONSE DATE : 2/10/17

REQUESTING PARTY: Staff

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**SDPUC Request No. 3-4:**

Refer to BHP's response to DR 1-4.

- a. Explain why Cheyenne Light, Fuel & Power Company provides a capacity credit in addition to their energy credit for their cogeneration and small power production customers.
- b. Explain the differences in modeling techniques between what is used by BHP and what is used by Cheyenne Light, Fuel & Power Company and Black Hills/Colorado Electric Utility Company.

**Response to SDPUC Request No. 3-4:**

- a. Cheyenne Light, Fuel & Power's cogeneration and small power production tariffs have not been revised since Black Hills Corporation purchased Cheyenne Light from Xcel Energy in 2005.
- b. Black Hills Power staff is unsure how Xcel Energy calculated the capacity and energy credit included in Cheyenne Light's cogeneration and small power production tariff and therefore is unable to explain the differences in modeling techniques between what is used by BHP and what was used by Cheyenne Light, Fuel & Power Company.

Black Hills/Colorado Electric Utility Company uses the previous 12-month historical hourly generation cost (fuel and variable cost) and purchase power cost data to calculate the energy payment rates included in its co-generation and small power production facilities tariff. Black Hills/Colorado Electric Utility Company' tariff is updated annually.

**Attachments:**

None