



**Crystal Cooley**  
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Thank you all in advance for your attention to this matter. Black Hills Energy has been installing service laterals at no costs up to 100' and at a price per foot over 100'. Per our tariff with the PUC in Rate Base Area 3, the construction allowance for a service lateral is \$174 per meter. That is the cost that Black Hills subtracts from the pass-through costs of our installing contractor and materials.

On average, Black Hills Energy pays our contractors \$650 per 1/2" service lateral. Based on the Tariff, we will contribute \$174 as a construction allowance and the difference should be paid by the customer. That difference of \$476 per service lateral, has been absorbed by Black Hills Energy. Beginning on March 1st, 2021, Black Hills Energy will pass these costs to our customers. Until then, we will follow our current pricing.

In the table on the next page, you will find the costs associated with a 1/2", 1" and 2" service lateral; including labor, tapping and materials. These are all direct costs from the installing contractor and does include materials. The final cost already considers the \$174 credit for each meter. Rather than refund on the back end, we subtract the cost off the total invoice on the front end for all service laterals.

As an example, the cost to install a 2" service includes all materials (pipe, tap tee, EFV, etc.) and the price per foot to have our contractor tap the main, lay in pipe, shade and attach the service to the foundation.

We will continue "business as usual"; these are pre-dug or "drop in" costs. These prices do not include the excavation or backfilling of the trench. Please continue to follow our Builder's Packet, as there are additional costs that are related to pre-dugs. Those costs may be road cuts, bores, steel services, large volume meters, welding, etc. Those costs will not change unless we see increased pass through costs from our contractor.

In any case where our contractor costs increase in the future, we will give our customers a 60-day notice prior to any price increase.

Please feel free to contact your Utility Construction Specialist (UCS) with any questions as it relates to the installation of your service lateral.

Thank you,

Crystal Cooley, Manager of Utility Construction Planning



Costs of pre-dugs beginning March 1<sup>st</sup>, 2021:

Footage	Cost of Pre-dug	Size and classification
1'-50'	\$300.00	1/2" Residential/Commercial
51' and >	\$300 + \$6.90/ft	1/2" Residential/Commercial
1'-50'	\$300.00	1" Large Res/Small Commercial
51' and >	\$300 + \$8.00/ft	1" Large Res/Small Commercial
Any length	\$150.00 + \$22.65/ft	2" all Services

Please contact your Utility Construction Specialist with any questions.

UCS	Area	Phone
Connie Gates (Lead)	Monument/Tri-Lakes	719.208.3503
Jordan Mitchell	Castle Rock	303.217.7810
Karli Foulger	Fountain/Woodland Park	719.208.3510

UCS Email Contact: [bhe.cog.ucs@blackhillscorp.com](mailto:bhe.cog.ucs@blackhillscorp.com)