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*From the offices of Lee A. Magnuson
e-mail address: lmagnuson@lynnjackson.com*

April 28, 2010

Executive Director
South Dakota Public Utilities Commission
Capitol Building, 1st Floor
500 East Capitol Avenue
Pierre, SD 57501-5070

Re: In the Matter of the Application of Black Hills Power, Inc.,
for Authority to Increase its Electric Rates
SDPUC Docket No. EL09-018

Dear Executive Director Van Gerpen:

We are submitting this letter on behalf of our client, Black Hills Power, Inc. ("BHP"), and on behalf of and with the express approval of the Black Hills Industrial Intervenors ("BHII") and the Staff of the South Dakota Public Utilities Commission ("Commission Staff") (collectively, the "Settling Parties"). After extensive negotiations, BHP has agreed to broad settlement terms with Commission Staff and BHII. Commission Staff and BHII are presently working with BHP to draft separate and specific settlement documents to be filed for the Commissioners' review in the very near future. Therefore, neither BHII nor Commission Staff intends to file direct testimony this Friday, April 30, 2010.

The separate settlements negotiated by the Settling Parties will be presented to the Commission by separate joint motion. The settlement between BHP and BHII is confidential, and will therefore be filed on a confidential basis. BHP is continuing to pursue a settlement with the South Dakota Peace and Justice Intervenors ("SDPJI"). To the extent BHP is unable to reach a settlement with SDPJI, the Settling Parties intend to allow SDPJI an opportunity to comment on the individual settlement between BHP and Commission Staff, in accordance with South Dakota law.

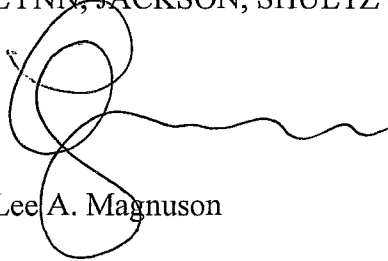
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The Settling Parties believe the settlements between BHP, Commission Staff, and BHII will result in an efficient and fair resolution of this case. We appreciate the Commissioners' attention to this matter.

Very truly yours,

LYNN, JACKSON, SHULTZ & LEBRUN, P.C.

A handwritten signature in black ink, consisting of several overlapping loops and a long, wavy horizontal line extending to the right.

Lee A. Magnuson

LAM/pmh

cc Todd Brink
Andrew P. Moratzka
Karen Cremer
Sam Khoroosi
Jana Linderman
Nicole Shalla