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Robert G. Towers
Basil L. Copeland, Jr.
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May 12, 2010

Deputy Executive Director
South Dakota Public Utilities Commission
500 E. Capitol Avenue
Pierre, South Dakota 57501

**RE: Request for Contract Amendment
SDPUC Docket No. EL09-018 (Black Hills Power Company rate case)**

Dear Ms. Van Gerpen:

The accompanying statement for services we have rendered in this case through the end of March approaches the \$66,625 Maximum Reimbursement provided for in our January 5 contract with the Commission and causes us to make this request for an amendment to the contract ceiling.

Our work through March amounted to 359.5 man-hours that, together with minor out-of-pocket expenses, underlies our current (and first) billing in the total amount of \$58,120.48. We continued to work with the Commission Staff through April and to date in May to resolve outstanding issues by settlement if possible or, if not, through litigation and it is clear that the existing ceiling will be exceeded. I have estimated that the additional time already devoted to the case in April and May and that which will be required to see the project to completion will amount to 192 man-hours. At our \$160/hour billing rate, this will result in additional charges of \$30,720. Combining this estimate with our current billing results in a total cost of \$88,840.

Accordingly, and regretfully, we are requesting a contract amendment in the amount of \$22,000 (\$88,840 less \$66,625 = \$22,215). Of course, we will continue to strive for efficiencies in our work and our charges are limited to time actually logged on this case.

While it is difficult to identify the specific causes for the higher-than-expected charges, the work has been complicated by the presence of two active intervenor groups, unanticipated work concerning Integrated Resource Planning issues and the extended discussions and negotiations with the Company in an effort to reach an understanding and amicable settlement of several important issues.

Please let me know if you need anything more from me for your consideration of this request.

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**SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION**

Sincerely,


Robert G. Towers
President