



September 30, 2015

Ms. Patricia Van Gerpen
Executive Director
South Dakota Public Utilities Commission
State Capitol Building
500 East Capitol
Pierre, South Dakota 57501

Re: Application of Black Hills Power, Inc. to approve tariff revisions related to its Cost of Service Gas Agreement with Black Hills Utility Holdings, Inc.

Dear Ms. Van Gerpen:

Black Hills Power, Inc. (Company) hereby submits its Application to the South Dakota Public Utilities Commission (Commission) to approve tariff revisions related to its Cost of Service Gas Agreement with Black Hills Utility Holdings, Inc.

The following are being submitted:

EXHIBIT

- 1 Application
- 2 Tariffs, in legislative and non-legislative format

	Testimony and Exhibits of Witnesses
3	Ivan Vancas
3.1	Cost of Service Gas Agreement
3.2	Percentages of Gas Supply Purchases by Type
3.3	Summary of Financial and Operational Terms
3.4	Diagram of Possible Structures for COSG Program
4	John Benton
4.1	Well Design Diagram
4.2	Sample Production Decline Curves
4.3	Sample Joint Operating Agreement
5	Julia M. Ryan
5.1	Gas Supply Portfolio Design
6	Richard C. Loomis
6.1	Chart of Historical Gas Prices
6.2	Price Forecast
7	T. Aaron Carr
7.1	Cost of Capital Calculation
7.2	COSG Model
8	Christopher J. Kilpatrick
8.1	Condensed Chart of Accounts
8.2	Sample Calculation of Hedge Cost/(Credit) and Annual Hedge Reconciliation
8.3	Redline version of tariff sheet

9	Adrien McKenzie
9.1	Qualifications
9.2	Authorized ROEs
9.3	Risk Premium – Combination Group
9.4	Risk Premium – Gas Group
9.5	Expected Earnings Approach – Combination Group
9.6	Expected Earnings Approach – Gas Group
9.7	Capital Structure – Combination Group
9.8	Capital Structure – Gas Group
9.9	Capital Structure – E &P Group

Copies of the Application will be made available in our local district offices as may be directed by the Commission.

The Commission's communications with the Company regarding this Application should be directed to:

Mr. Vance Crocker
Vice-President, Operations
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Mr. Richard C. Loomis
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with a copy to:

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The Applicant's legal name is Black Hills Power, Inc. with its principal place of business in Rapid City, South Dakota. The Company is a corporation, organized on August 27, 1941 under the laws of South Dakota.

The Company provides retail electric service in South Dakota, Wyoming and Montana.

The Company is filing public versions and confidential versions of certain testimony and exhibits. The Company requests confidential treatment of the confidential versions. The confidential version documents qualify for confidential treatment because they contain proprietary business information which the Company does not disclose to the public. The Company requests these noted documents be treated as confidential forever.

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Respectfully submitted,

BLACK HILLS POWER, INC.

By *V. A. Crocker*
Vance Crocker, Vice President of Operations

Sworn to and subscribed before this 30th day of September, 2015.

Pamela K. Wiley
Notary Public of South Dakota

My Commission Expires: 10-5-2015

(SEAL)

