BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF SOUTH DAKOTA

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IN THE MATTER OF THE APPLICATION OF BLACK HILLS POWER, INC. TO APPROVE TARIFF REVISIONS RELATED TO ITS COST OF SERVICE GAS AGREEMENT WITH BLACK HILLS UTILITY HOLDINGS, INC.

Docket No. EL 15-036

MOTION TO WITHDRAW APPLICATION WITHOUT PREJUDICE AND TO TERMINATE THE PENDING PROCEDURAL SCHEDULE

Comes now Black Hills Power, Inc. ("Black Hills Power") by and through its attorneys, Lee A. Magnuson of Lindquist & Vennum, LLP, Cameron L. Sabin of Stoel Rives LLP, and Amy Koenig, corporate counsel for Black Hills Corporation, and hereby submits to the South Dakota Public Utilities Commission ("Commission"), this Motion to Withdraw the Application Without Prejudice and to Terminate the Pending Procedural Schedule.

In support of this Motion, Black Hills Power sets forth the following:

1. On September 30, 2015, Black Hills Power submitted a Joint Application requesting authorization to enter into a Cost of Service Gas ("COSG") Agreement with Black Hills Utility Holdings, Inc. and other associated relief. Similar applications were filed by Black Hills Corporation utilities in Colorado, Iowa, Kansas, Nebraska and Wyoming. The Public Utilities Commission of Colorado dismissed the application without prejudice on April 27, 2016. On July 19, 2016, the Nebraska Public Service Commission issued its order denying the COSG application. A hearing was held by the Iowa Utilities Board on June 6-7,

2016, on the Iowa COSG application. The parties have reply briefs due August 11, 2016 in that proceeding.

This matter is set for hearing before the Commission commencing on September
13, 2016.

3. The process and analysis of options has evolved since the filing of the Application and will result in a modified program being submitted to the Commission including the inclusion of an actual property for approval.

4. Black Hills Power believes a COSG Program has merit and will be beneficial to their customers by providing price stability.

5. Black Hills Power is authorized to state that the Commission Staff does not oppose this Motion.

WHEREFORE, Black Hills Power respectfully requests the Commission enter an order approving the withdrawal of the pending Application without prejudice and terminating the pending procedural schedule.

Dated this 29th day of July, 2016.

BLACK MILLS POWER, INC. By

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CERTIFICATE OF SERVICE

The undersigned, Lee A. Magnuson, hereby certify that I have sent via email a copy of the Motion to Withdraw Application Without Prejudice and to Terminate the Pending Procedural Schedule to the following parties:

Mr. Patrick Joyce Senior Corporate Counsel Black Hills Energy 1102 E. First St. Papillion, NE 68046 patrick.joyce@blackhillscorp.com

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Dated this 29th day of July, 2016.

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