



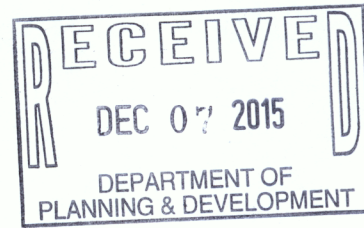
Colorado Springs Utilities

*It's how we're all connected*

1041 2008-002

December 2, 2015

Bret Jones  
Senior Program Manager  
Black Hills Energy  
105 S. Victoria Ave.  
Pueblo, CO 81003



Re: Southern Delivery System Pipeline Easement

Dear Mr. Jones:

As you may recall, on September 15, 2105, representatives of Colorado Springs Utilities (CSU), on behalf of the Southern Delivery System (SDS) Project, met with you and your staff for purposes of discussing Black Hills construction activities occurring on or near the SDS easement in Pueblo County. At that time, CSU described the Pueblo County 1041 permit reclamation obligations associated with the construction of the SDS pipeline, and noted that we had observed some disturbance of the recently revegetated area as a consequence of ongoing Black Hills construction activities. Black Hills indicated that it would repair any significant disturbances, such as rutting, but assumed that the vegetation it had cut or otherwise disturbed would re-establish itself in the next growing season. Black Hills also noted that it conducted its construction operations in accordance with the terms of the existing utility easements.

An initial hearing on compliance with the reclamation conditions of the 1041 permit was held before the Pueblo County Commissioners on September 25. A continuation of that hearing was held on October 19, at which time the Commissioners requested that County staff tour the pipeline alignment in the County and prepare a report on their observations concerning the condition thereof. That tour occurred on October 27. County staff did note, at that time, an area of disturbance along the alignment that was associated with Black Hills construction activities.

A final hearing on the reclamation permit provisions is now scheduled for December 8. Obviously, you are welcome to attend. That said, CSU would like to reiterate at this time what it stated on September 15, i.e., that SDS will look solely to Black Hills to restore, to the satisfaction of Pueblo County, any reclaimed areas along the SDS easement in Pueblo County that it may have subsequently disturbed. Simply stated,

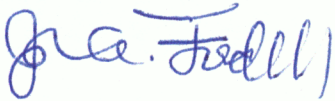
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there should be no future liability on the part of CSU or its SDS partners relative to compliance with the 1041 permit conditions as a consequence of Black Hills activities.

Thank you for your attention to this matter.

Sincerely,



John A. Fredell  
Program Director, Southern Delivery System

Cc: Joan Armstrong, Director, Pueblo County Planning and Development  
Kevin Warmack, Black Hills energy  
Eric Sisco, Black Hills Energy  
Ebl Kazemi, Black Hills Energy