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May 8, 2015

Armand Southall
Regulatory Specialist, ONRR
P.O. Box 25165, MS 61030A
Denver, CO 80225

Attn: Regulation Identifier Number (RIN) 1012-AA13

Re: Black Hills Corporation Comments on Office of Natural Resources Revenue (ONRR) Proposed Rule to Amend Federal and Indian Coal Valuation Regulations, 80 Fed. Reg. 608 (Jan. 6, 2015)

Submitted via: <http://www.regulations.gov>

Dear Mr. Southall:

Black Hills Corporation (“Black Hills”) is a vertically integrated energy company serving 770,000 natural gas and electric utility customers in Colorado, Iowa, Kansas, Montana, Nebraska, South Dakota and Wyoming. We also generate wholesale electricity and produce natural gas, oil and coal. On January 6, 2015, the Office of Natural Resources Revenue (“ONRR”) issued a proposed rule entitled “Consolidated Federal Oil & Gas and Federal & Indian Coal Valuation Reform.” The proposed rule introduces a number of significant uncertainties for Black Hills’ operations in Wyoming—particularly with regard to mine-mouth power plant operations. Moreover, we believe the rule may produce unintended and potentially deleterious consequences regarding the valuation of coal in relation to the production of electricity, which is already governed by appropriate regulatory authorities. Due to the considerable confusion surrounding the rule’s application, Black Hills respectfully requests that the proposed rule be withdrawn until such time as the ONRR has re-purposed the rule in a way that addresses the unique concerns of vertically integrated energy companies like Black Hills. Black Hills would welcome the opportunity to discuss these concerns directly with the ONRR, and we would appreciate additional time to submit questions and receive constructive feedback.

Thank you for your consideration.

Sincerely,



Mark Lux

Vice President & General Manager, Power Delivery