



Black Hills Power, Inc.
Rapid City, South Dakota

SOUTH DAKOTA ELECTRIC RATE BOOK

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809 - TAX ADJUSTMENTS

- A. Gross Receipts – Charges computed under this Section 800 will be increased by the applicable proportionate part of any assessment, or charge imposed or levied by any governmental authority as a result of laws or ordinances enacted, which is assessed or levied on the basis of revenue or gross receipts.
- B. Excise Tax – Refundable advance deposits are not subject to state and local sales tax and sales tax is not to be included in the calculation of the refundable portion of an Applicant's contribution. Excise tax at the rate of two (2) percent is applicable to all non-refundable contributions required by this Section 800.
- C. Federal Income Tax – Non-refundable contributions are subject to federal income tax at the time of receipt. As such, non-refundable contributions will be adjusted for the federal income tax resulting from the non-refundable contribution less the net present value of any future tax benefits the Company expects as a result of the construction of the requested facilities for which the non-refundable contribution is being made.

900 INTERCONNECTION PROCEDURES FOR DISTRIBUTION GENERATION FACILITIES (IPDGF)

The following interconnection procedures shall apply to all generation resources connected to Black Hills Power's (BHP) distribution system. The Technical Requirements for Parallel Operation of Distribution Generation Facilities ("Technical Requirements") that also apply are not included in these Procedures. A copy of the Technical Requirements are posted on the Company's website: www.blackhillspower.com

901 – GENERAL OVERVIEW

- (A) Applicability
 - (1) A request to interconnect a certified inverter-based Small Generating Facility no larger than 10 kW shall be evaluated under the Level 1 Process.
 - (2) A request to interconnect a certified Small Generating Facility no larger than 2 MW shall be evaluated under the Level 2 Process.
 - (3) A request to interconnect a Small Generating Facility larger than 2 MW or a Small Generating Facility that does not pass the Level 1 or Level 2 Process, shall be evaluated under the Level 3 Process.
 - (4) Capitalized terms used herein shall have the meanings specified in the Glossary of Terms of the body of these procedures.



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- (5) Prior to submitting its Interconnection Request, the Interconnection Customer may ask BHP interconnection contact employee or office whether the proposed interconnection is subject to these procedures. BHP shall respond in writing within 15 Business Days.
 - (6) Infrastructure security of electric system equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. All public utilities are expected to meet basic standards for electric system infrastructure and operational security, including physical, operational, and cyber-security practices.
 - (7) References in these procedures to interconnection agreement are to the Interconnection Agreement for Distribution Generation Facilities (IADGF).
- (B) Pre-Application

BHP has designated an employee/department from which information on the application process and on an Affected System can be obtained through informal requests from the Interconnection Customer presenting a proposed project for a specific site. The name, telephone number, and e-mail address of such contact employee or office shall be made available on BHP's Internet web site. Electric system information for specific locations, feeders, or small areas shall be provided to the Interconnection Customer upon request and may include relevant system studies, interconnection studies, and other materials useful to an understanding of an interconnection at a particular point on BHP's System, to the extent such provision does not violate confidentiality provisions of prior agreements or critical infrastructure requirements. BHP shall comply with reasonable requests for such information unless such information is proprietary or confidential and cannot be provided pursuant to a confidentiality agreement.



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(C) Interconnection Request

The Interconnection Customer (IC) shall submit its Interconnection Request to BHP, together with the processing fee or deposit specified in the Interconnection Request. The Interconnection Request shall be date- and time-stamped upon receipt. The original date- and time-stamp applied to the Interconnection Request at the time of its original submission shall be accepted as the qualifying date- and time-stamp for the purposes of any timetable in these procedures. The Interconnection Customer shall be notified of receipt by BHP within three Business Days of receiving the Interconnection Request which notification may be to an e-mail address or fax number provided by IC. BHP shall notify the Interconnection Customer within ten Business Days of the receipt of the Interconnection Request as to whether the Interconnection Request is complete or incomplete. If the Interconnection Request is incomplete, BHP shall provide, along with the notice that the Interconnection Request is incomplete, a written list detailing all information that must be provided to complete the Interconnection Request. The Interconnection Customer will have ten Business Days after receipt of the notice to submit the listed information or to request an extension of time to provide such information. If the Interconnection Customer does not provide the listed information or a request for an extension of time within the deadline, the Interconnection Request will be deemed withdrawn. An Interconnection Request will be deemed complete upon submission of the listed information to BHP.

(D) Modification of the Interconnection Request

Any modification to machine data or equipment configuration or to the interconnection site of the Small Generating Facility not agreed to in writing by BHP and the Interconnection Customer may be deemed a withdrawal of the Interconnection Request and may require submission of a new Interconnection Request, unless proper notification of each Party by the other and a reasonable time to address the issues created by the changes are undertaken.

(E) Site Control

Documentation of site control must be submitted with the Interconnection Request. Site control may be demonstrated through:

- (1) Ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing the Small Generating Facility;
- (2) An option to purchase or acquire a leasehold site for such purpose; or
- (3) An exclusivity or other business relationship between the Interconnection Customer and the entity having the right to sell, lease, or grant the Interconnection Customer the right to possess or occupy a site for such purpose.



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- (F) Queue Position
BHP shall place Interconnection Requests in a first come, first served order per feeder and per substation based upon the date- and time-stamp of the Interconnection Request. The order of each Interconnection Request will be used to determine the cost responsibility for the Upgrades necessary to accommodate the interconnection. At BHP's option, Interconnection Requests may be studied serially or in clusters for the purpose of the system impact study.

902 – LEVEL 1 – 10 kW INVERTER PROCESS

The Level 1 Process is a procedure for evaluating an Interconnection Request for a certified inverter-based Small Generating Facility no larger than 10 kW. The application process uses an all-in-one document that includes a simplified Interconnection Request, Simplified Procedures, and a brief set of Terms and Conditions.

- (A) The Interconnection Customer ("Customer") completes the Interconnection Request and Terms and Conditions and submits it to BHP.
- (B) BHP acknowledges to the Customer receipt of the Application within three Business Days of receipt.
- (C) BHP evaluates the Application for completeness and notifies the Customer within ten Business Days of receipt that the Application is or is not complete and, if not, advises what material is missing.
- (D) Within 15 days after notification of a completed Application, BHP shall conduct an initial review, which shall include the following screening criteria:
- (1) The Proposed Small Generating Facility's Point of Common Coupling must be on a portion of BHP's Distribution System that is subject to the Tariff.
 - (2) For interconnection of a proposed Small Generating Facility to a radial distribution circuit, the aggregated generation, including the proposed Small Generating Facility, on the circuit shall not exceed 15 % of the line section annual peak load as most recently measured at the substation or calculated for the line section. A line section is that portion of a utility's electric system connected to a customer bounded by automatic sectionalizing devices or the end of the distribution line.
 - (3) If the proposed Small Generating Facility is to be interconnected on single-phase shared secondary, the aggregate generation capacity on the shared secondary, including the proposed Small Generating Facility, shall not exceed 20 kW.



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- (4) If the proposed Small Generating Facility is single-phase and is to be interconnected on a center tap neutral of a 240 volt service, its addition shall not create an imbalance between the two sides of the 240 volt service of more than 20% of the nameplate rating of the service transformer.
- (5) No construction of facilities by BHP on its own system shall be required to accommodate the Small Generating Facility.
- (6) Provided all the Technical Requirements are met, unless BHP determines and demonstrates that the Small Generating Facility cannot be interconnected safely and reliably, BHP approves and executes the Application and returns it to the Customer.
- (7) After installation, the Customer returns the Certificate of Completion to BHP. Prior to parallel operation, BHP may inspect the Small Generating Facility for compliance with standards, which may include a witness test, and may schedule appropriate metering replacement, if necessary.
- (8) BHP notifies the Customer in writing or by fax or e-mail that interconnection of the Small Generating Facility is authorized within five business days. If the witness test is not satisfactory, BHP has the right to disconnect the Small Generating Facility. The Customer has no right to operate in parallel until a witness test has been performed, or previously waived on the Application. BHP is obligated to complete this witness test within ten Business Days of the receipt of the Certificate of Completion.
- (9) Contact Information – The Customer must provide the contact information for the legal applicant (i.e., the Interconnection Customer). If another entity is responsible for interfacing with BHP, that contact information must be provided on the Application.

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903 – LEVEL 2 – FAST TRACK PROCESS

- (A) Applicability
The Fast Track Process is available to an Interconnection Customer proposing to interconnect its Small Generating Facility with BHP's System if the Small Generating Facility is no larger than 2 MW and if the Interconnection Customer's proposed Small Generating Facility meets the codes, standards, and certification requirements of these procedures.
- (B) Initial Review
Within 15 Business Days after BHP notifies the Interconnection Customer it has received a complete Interconnection Request, BHP shall perform an initial review using the screens set forth below, shall notify the Interconnection Customer of the results, and include with the notification copies of the analysis and data underlying BHP's determinations under the screens.
- (1) Screens
- a. The proposed Small Generating Facility's Point of Common Coupling must be on a portion of BHP's Distribution System that is subject to the Tariff.
 - b. For interconnection of a proposed Small Generating Facility to a radial distribution circuit, the aggregated generation, including the proposed Small Generating Facility, on the circuit shall not exceed 15 % of the line section's annual peak load as most recently measured at the substation or calculated for the line segment. A line section is that portion of a utility's electric system connected to a customer bounded by automatic sectionalizing devices or the end of the distribution line.
 - c. The proposed Small Generating Facility, in aggregation with other generation on the distribution circuit, shall not contribute more than 10 % to the distribution circuit's maximum fault current at the point on the distribution feeder voltage (primary) level nearest the proposed point of change of ownership.
 - d. The proposed Small Generating Facility, in aggregate with other generation on the distribution circuit, shall not cause any distribution protective devices and equipment (including, but not limited to, substation breakers, fuse cutouts, and line reclosers), or Interconnection Customer equipment on the system to exceed 87.5 % of the short circuit interrupting capability; nor shall the interconnection be proposed for a circuit that already exceeds 87.5 % of the short circuit interrupting capability.



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- e. Using the table below, determine the type of interconnection to a primary distribution line. This screen includes a review of the type of electrical service provided to the Interconnecting Customer, including line configuration and the transformer connection to limit the potential for creating over-voltages on BHP's electric power system due to a loss of ground during the operating time of any anti-islanding function.

Primary Distribution Line Type	Type of Interconnection to Primary Distribution Line	Result/Criteria
Three-phase, three wire	3-phase or single phase, phase-to-phase	Pass screen
Three-phase, four wire	Effectively-grounded 3 phase or Single-phase, line-to-neutral	Pass screen

- f. If the proposed Small Generating Facility is to be interconnected on single-phase shared secondary, the aggregate generation capacity on the shared secondary, including the proposed Small Generating Facility, shall not exceed 20 kW.
- g. If the proposed Small Generating Facility is single-phase and is to be interconnected on a center tap neutral of a 240 volt service, its addition shall not create an imbalance between the two sides of the 240 volt service of more than 20 % of the nameplate rating of the service transformer.
- h. No construction of facilities by BHP on its own system shall be required to accommodate the Small Generating Facility.
- i. Interconnections to Distribution Networks
 - 1) For interconnection of a proposed Small Generating Facility to the load side of Spot Network protectors serving more than a single customer, the proposed Small Generating Facility must utilize an inverter-based equipment package and, together with the aggregated other inverter-based generation, shall not exceed the smaller of 5 % of a Spot Network's maximum load or 300 kW. For Spot Networks serving a single customer, the Small Generator Facility must use inverter-based equipment package and either meet the requirements above or shall use a protection scheme or operate the generator so as not to exceed on-site load or otherwise prevent nuisance operation of the Spot Network protectors.



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- 2) For interconnection of a proposed Small Generating Facility to the load side of area network protectors, the proposed Small Generating Facility must utilize an inverter-based equipment package and, together with the aggregated other inverter-based generation, shall not exceed the smaller of 10% of an Area Network's minimum load or 500 kW.
 - 3) Notwithstanding sub-sections (1) or (2) above, BHP may incorporate into its interconnection standards, any change in interconnection guidelines related to networks pursuant to standards developed under IEEE 1547 for interconnections to networks. In addition, and with the consent of BHP, a Small Generator Facility may be interconnected to a spot or area network provided the Facility utilizes a protection scheme that will prevent any power export from the customer's site including inadvertent export under fault conditions or otherwise prevent nuisance operation of the network protectors.
- (2) If the proposed interconnection passes the screens, the Interconnection Request shall be approved and BHP will provide the Interconnection Customer an executable Interconnection Agreement within five Business Days after the determination.
 - (3) If the proposed interconnection fails the screens, but BHP determines that the Small Generating Facility may nevertheless be interconnected consistent with safety, reliability, and power quality standards, BHP shall provide the Interconnection Customer an executable interconnection agreement within five Business Days after the determination.
 - (4) If the proposed interconnection fails the screens, but BHP does not or cannot determine from the initial review that the Small Generating Facility may nevertheless be interconnected consistent with safety, reliability, and power quality standards unless the Interconnection Customer is willing to consider minor modifications or further study, BHP shall provide the Interconnection Customer with the opportunity to attend a customer options meeting.
 - (5) **Customer Options Meeting**
If BHP determines the Interconnection Request cannot be approved without minor modifications at minimal cost; or a supplemental study or other additional studies or actions; or at significant cost to address safety, reliability, or power quality problems, within the five Business Day period after the determination, BHP shall notify the Interconnection Customer and provide copies of the data and analyses underlying its conclusion. Within ten Business Days of BHP's determination, BHP shall offer to convene a customer options meeting with BHP to review possible Interconnection Customer facility modifications or the screen



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analysis and related results, to determine what further steps are needed to permit the Small Generating Facility to be connected safely and reliably. At the time of notification of BHP's determination, or at the customer options meeting, BHP shall:

- i. Offer to perform facility modifications or minor modifications to BHP's electric system (e.g., changing meters, fuses, relay settings) and provide a non-binding good faith estimate of the cost to make such modifications to BHP's electric system; or
- ii. Offer to perform a supplemental review if BHP concludes that the supplemental review might determine that the Small Generating Facility could continue to qualify for interconnection pursuant to the Fast Track Process, and provide a non-binding good faith estimate of the costs and time of such review; or
- iii. Obtain the Interconnection Customer's agreement to continue evaluating the Interconnection Request under the Level 3 Study Process.

(C) Supplemental Review

If the Interconnection Customer agrees to a supplemental review, the Interconnection Customer shall agree in writing within 15 Business Days of the offer, and submit a deposit for the estimated costs provided in (C) (1) (b). The Interconnection Customer shall be responsible for BHP's actual costs for conducting the supplemental review. The Interconnection Customer must pay any review costs that exceed the deposit within 20 Business Days of receipt of the invoice or resolution of any dispute. If the deposit exceeds the actual costs, BHP will return such excess within 20 Business Days of the invoice without interest.

- (1) Within ten Business Days following receipt of the deposit for a supplemental review, BHP will determine if the Small Generating Facility can be interconnected safely and reliably.
 - a. If so, BHP shall forward an executable Interconnection Agreement to the Interconnection Customer within five Business Days.
 - b. If so, and Interconnection Customer facility modifications are required to allow the Small Generating Facility to be interconnected consistent with safety, reliability, and power quality standards under these procedures, BHP shall forward an executable Interconnection Agreement to the Interconnection Customer within five Business Days after confirmation



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that the Interconnection Customer has agreed to make the necessary changes at the Interconnection Customer's cost.

- c. If so, and minor modifications to BHP's electric system are required to allow the Small Generating Facility to be interconnected consistent with safety, reliability, and power quality standards under the Level 2 Fast Track Process, BHP shall forward an executable interconnection agreement to the Interconnection Customer within ten Business Days that requires the Interconnection Customer to pay the costs of such system modifications prior to interconnection.
- d. If not, BHP will notify the Customer within five Business Days of the results of the Supplemental Review. The Interconnection Customer may request within ten Business Days that the Request continue to be evaluated under the Level 3 Study Process.

904 – LEVEL 3 – STUDY PROCESS

- (A) **Applicability**
The Study Process shall be used by an Interconnection Customer proposing to interconnect its Small Generating Facility with BHP's System if the Small Generating Facility (1) is larger than 2 MW, (2) is not certified, or (3) is certified but did not pass the Fast Track Process or the 10 kW Inverter Process.
- (B) **Scoping Meeting**
 - (1) A scoping meeting will be held within ten Business Days after the Interconnection Request is deemed complete, or as otherwise mutually agreed to by the Parties. BHP and the Interconnection Customer will bring to the meeting personnel, including system engineers and other resources as may be reasonably required to accomplish the purpose of the meeting.
 - (2) The purpose of the scoping meeting is to discuss the Interconnection Request. The Parties shall further discuss whether BHP should perform a feasibility study or proceed directly to a system impact study, or a facilities study, or an interconnection agreement. If the Parties agree that a feasibility study should be performed, BHP shall provide the Interconnection Customer, as soon as possible, but not later than five Business Days after the scoping meeting, a feasibility study agreement including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study.



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- (3) The scoping meeting may be omitted by mutual agreement. In order to remain in consideration for interconnection, an Interconnection Customer who has requested a feasibility study must return the executed Feasibility Study Agreement within 15 Business Days. If the Parties agree not to perform a feasibility study, BHP shall provide the Interconnection Customer, no later than five Business Days after the scoping meeting, a system impact study agreement including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study.
 - (4) Feasibility Studies, Scoping Studies, and Facility Studies may be combined for simpler projects by mutual agreement of BHP and the Parties.
- (C) Feasibility Study
- (1) The feasibility study shall identify any potential adverse system impacts that would result from the interconnection of the Small Generating Facility.
 - (2) A deposit of 50 percent of the good faith estimated feasibility study costs will be required from the Interconnection Customer before the study begins.
 - (3) The scope of and cost responsibilities for the feasibility study are described in the attached feasibility study agreement.
 - (4) If the feasibility study shows no potential for adverse system impacts, BHP shall send the Interconnection Customer a Facilities Study Agreement, including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study.
 - (5) If the feasibility study shows the potential for adverse system impacts, the review process shall proceed to the appropriate system impact study(s).



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(D) System Impact Study

- (1) A system impact study shall identify and detail the electric system impacts that would result if the proposed Small Generating Facility were interconnected without project modifications or electric system modifications, focusing on the adverse system impacts identified in the feasibility study, or to study potential impacts, including but not limited to those identified in the scoping meeting. A system impact study shall evaluate the impact of the proposed interconnection on the reliability of the electric system.
- (2) If potential adverse system impacts are identified in the scoping meeting or shown in the feasibility study, a system impact study must be performed. BHP shall send the Interconnection Customer a System Impact Study agreement within 15 Business Days of transmittal of the feasibility study report, including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study, or following the scoping meeting if no feasibility study is to be performed.
- (3) In instances where the feasibility study or the system impact study shows potential for transmission system impacts, within five Business Days following transmittal of the feasibility study report, BHP shall send the Interconnection Customer a transmission System Impact Study agreement as set forth in the BHP Joint Open Access Transmission Tariff ("JOATT"). Once the transmission system impact has been identified, the interconnection shall continue to follow the process as outlined in the BHP JOATT.
- (4) If a transmission system impact study is not required, but Distribution System impacts are shown by the feasibility study to be possible and no system impact study has been conducted, BHP shall send the Interconnection Customer a System Impact Study agreement.
- (5) If the feasibility study shows no potential for transmission system or Distribution System impacts, BHP shall send the Interconnection Customer either a Facilities Study Agreement, including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study, or an executable interconnection agreement, as applicable.
- (6) In order to remain under consideration for interconnection, the Interconnection Customer must return an executed System Impact Study Agreement, if applicable, within 30 Business Days.
- (7) A deposit of the good faith estimated costs for each system impact study will be required from the Interconnection Customer before the study begins.
- (8) The scope of and cost responsibilities for a system impact study are described in the attached System Impact Study Agreement.



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(E) Facilities Study

- (1) Once the required system impact study(s) is completed, a system impact study report shall be prepared and transmitted to the Interconnection Customer along with a facilities study agreement within five Business Days, including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the facilities study. In the case where one or both impact studies are determined to be unnecessary, a notice of the fact shall be transmitted to the Interconnection Customer within the same timeframe.
- (2) In order to remain under consideration for interconnection, or, as appropriate, in BHP's interconnection queue, the Interconnection Customer must return the executed Facilities Study Agreement or a request for an extension of time within 30 Business Days.
- (3) The facilities study shall specify and estimate the cost of the equipment, engineering, procurement, and construction work (including overheads) needed to implement the conclusions of the system impact study(s).
- (4) Design for any required Interconnection Facilities and/or Upgrades shall be performed under the facilities study agreement. BHP may contract with consultants to perform activities required under the facilities study agreement. The Interconnection Customer and BHP may agree to allow the Interconnection Customer to separately arrange for the design of some of the Interconnection Facilities. In such cases, facilities design will be reviewed and/or modified prior to acceptance by BHP, under the provisions of the facilities study agreement. If the Parties agree to separately arrange for design and construction, and provided security and confidentiality requirements can be met, BHP shall make sufficient information available to the Interconnection Customer in accordance with confidentiality and critical infrastructure requirements to permit the Interconnection Customer to obtain an independent design and cost estimate for any necessary facilities.
- (5) A deposit of the good faith estimated costs for the facilities study will be required from the Interconnection Customer before the study begins.
- (6) The scope of and cost responsibilities for the facilities study are described in the Facilities Study Agreement.
- (7) Upon completion of the facilities study, and with the agreement of the Interconnection Customer to pay for Interconnection Facilities and Upgrades identified in the facilities study, BHP shall provide the Interconnection Customer an executable Interconnection Agreement within five Business Days.



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905–PROVISIONS THAT APPLY TO ALL INTERCONNECTION REQUESTS

Provisions that Apply to All Interconnection Requests

- (A) Reasonable Efforts
BHP shall make reasonable efforts to meet all time frames provided in these procedures unless BHP and the Interconnection Customer agree to a different schedule. If BHP cannot meet a deadline provided herein, it shall notify the Interconnection Customer, explain the reason for the failure to meet the deadline, and provide an estimated time by which it will complete the applicable interconnection procedure in the process.
- (B) Disputes
- (1) The Parties agree to attempt to resolve all disputes arising out of the interconnection process according to the provisions of this article.
- (2) In the event of a dispute, either Party shall provide the other Party with a written Notice of Dispute. Such Notice shall describe in detail the nature of the dispute. If the dispute has not been resolved within five Business Days after receipt of the Notice, either Party pursue dispute resolution or legal remedies, whether in law or in equity, to resolve the dispute. The Parties may also seek resolution from the Commission.
- (3) Each Party agrees to conduct all negotiations in good faith and will be responsible for one-half of any costs paid to neutral third-parties.
- (C) Interconnection Metering
- Any metering necessitated by the use of the Small Generating Facility shall be installed at the Interconnection Customer's expense in accordance with BHP's specifications.

Date Filed: September 24, 2007

By: Don Martinez
Manager of Tariff Administration
and Rate Design

Effective Date: For service on
and after _____



SOUTH DAKOTA ELECTRIC RATE BOOK

(D) Commissioning tests

Commissioning tests of the Interconnection Customer's installed equipment shall be performed pursuant to applicable codes and standards, including IEEE1547.1-2005 "IEEE Standard Conformance Test Procedures for Equipment Interconnecting Distributed Resources with Electric Power Systems". BHP must be given at least five Business Days written notice, or as otherwise mutually agreed to by the Parties, of the tests and may be present to witness the commissioning tests. BHP shall be compensated by the Interconnection Customer for its expense in witnessing level 2 and Level 3 commissioning tests.

(E) Confidentiality

- (1) Confidential information shall mean any confidential and/or proprietary information provided by one Party to the other Party. All design, operating specifications, and metering data provided by the Interconnection Customer or BHP shall be deemed confidential information regardless of whether it is clearly marked or otherwise designated as such.
- (2) Confidential Information does not include information previously in the public domain, required to be publicly submitted or divulged by Governmental Authorities (after notice to the other Party and after exhausting any opportunity to oppose such publication or release), or necessary to be divulged in an action to enforce an agreement between the Parties. Each Party receiving Confidential Information shall hold such information in confidence and shall not disclose it to any third party nor to the public without the prior written authorization from the Party providing that information, except to fulfill obligations under agreements between the Parties, or to fulfill legal or regulatory requirements.
 - a. Each Party shall employ at least the same standard of care to protect Confidential Information obtained from the other Party as it employs to protect its own Confidential Information.
 - b. Each Party is entitled to equitable relief, by injunction or otherwise, to enforce its rights under this provision to prevent the release of Confidential Information without bond or proof of damages, and may seek other remedies available at law or in equity for breach of this provision.



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(3) Notwithstanding anything in this article to the contrary, during the course of an investigation or otherwise, the state regulatory body may request information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this Agreement. The Party from whom the request is made shall notify the other Party to this Agreement when it is notified by the state regulatory body that a request to release Confidential Information has been received, at which time either of the Parties may respond before such information would be made public.

(F) Comparability

BHP shall receive, process, and analyze all Interconnection Requests in a timely manner as set forth in this document.

(G) Record Retention

BHP shall maintain for three years records, subject to audit, of all Interconnection Requests received under these procedures, the times required to complete Interconnection Request approvals and disapprovals, and justification for the actions taken on the Interconnection Requests.

(H) Interconnection Agreement

After receiving an interconnection agreement from BHP, the Interconnection Customer shall have 30 Business Days or another mutually agreeable time-frame to sign and return the interconnection agreement. If the Interconnection Customer does not sign the interconnection agreement, within 30 Business Days, the Interconnection Request shall be deemed withdrawn. After the interconnection agreement is signed by the Parties, the interconnection of the Small Generating Facility shall proceed under the provisions of the interconnection agreement.



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- (I) **Coordination with Affected Systems**
BHP shall coordinate the conduct of any studies required to determine the impact of the Interconnection Request on Affected Systems with Affected System operators and, if possible, include those results (if available) in its applicable interconnection study within the time frame specified in these procedures. BHP will include such Affected System operators in all meetings held with the Interconnection Customer as required by these procedures. The Interconnection Customer will cooperate with BHP in all matters related to the conduct of studies and the determination of modifications to Affected Systems. A utility which may be an Affected System shall cooperate with BHP with whom interconnection has been requested in all matters related to the conduct of studies and the determination of modifications to Affected Systems.
- (J) **Capacity of the Small Generating Facility**
- (1) If the Interconnection Request is for an increase in capacity for an existing Small Generating Facility, the Interconnection Request shall be evaluated on the basis of the new total capacity of the Small Generating Facility.
 - (2) If the Interconnection Request is for a Small Generating Facility that includes multiple energy production devices at a site for which the Interconnection Customer seeks a single Point of Common Coupling, the Interconnection Request shall be evaluated on the basis of the aggregate capacity of the multiple devices.
 - (3) The Interconnection Request shall be evaluated using the maximum rated capacity of the Small Generating Facility.
- (K) **Insurance**
- (1) For systems of 10 kW or less, the Customer, at its own expense, shall secure and maintain in effect during the term of the Agreement liability insurance with a combined single limit for bodily injury and property damage of not less than \$300,000 for each occurrence. For systems above 10 kW and up to 2 MW, Customer, at its own expense, shall secure and maintain in effect during the term of the Agreement liability insurance with a combined single limit for bodily injury and property damage of not less than \$2,000,000 for each occurrence. Insurance coverage for systems greater than 2 MW shall be determined on a case-by-case basis by BHP and shall reflect the size of the installation and the potential for system damage.



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- (2) BHP shall be named as an additional insured by endorsement to the insurance policy and the policy shall provide that written notice be given to BHP at least thirty (30) days prior to any cancellation or reduction of any coverage. Such liability insurance shall provide, by endorsement to the policy, that BHP shall not by reason of its inclusion as an additional insured incur liability to the insurance carrier for the payment of premium of such insurance.

- (3) Certificates of Insurance evidencing the requisite coverage and provision(s) shall be furnished to BHP prior to the Date of Interconnection of the Generation System. BHP will be provided proof of current insurance coverage annually from the Customer in order to verify proper liability insurance coverage. Customer will not be allowed to commence or continue interconnected operations unless evidence is provided that satisfactory insurance coverage is in effect at all times.

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Manager of Tariff Administration
and Rate Design

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SOUTH DAKOTA ELECTRIC RATE BOOK

GLOSSARY OF TERMS

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Glossary of Terms

10 kW Inverter Process – The procedure for evaluating an Interconnection Request for a certified inverter-based Small Generating Facility no larger than 10 kW that uses the section 2 screens. The application process uses an all-in-one document that includes a simplified Interconnection Request (Attachment 2), simplified procedures (Attachment 3), and a brief set of terms and conditions (Attachment A to Level 1 Application).

Area Network – A section of the distribution system typically found in small areas of major cities and designed to provide high reliability to a group of customers. An area network system, as opposed to a spot network or radial system, consists of multiple distribution lines interconnected with each other and a group of customers. This provides multiple paths on which electricity can flow, to prevent loss of power if one piece of the network stops working.

Business Day – Monday through Friday, excluding Federal Holidays.

Distribution System – BHP's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The BHP Distribution System includes all facilities operated at voltages below 69 kV and 69 kV facilities under South Dakota Public Utilities Commission jurisdiction.

Distribution Upgrades – The additions, modifications, and upgrades to BHP's Distribution System at or beyond the Point of Common Coupling to facilitate interconnection of the Small Generating Facility. Distribution Upgrades do not include Interconnection Facilities.

Fast Track Process – The procedure for evaluating an Interconnection Request for a certified Small Generating Facility no larger than 2 MW that includes the section 3 screens, customer options meeting, and optional supplemental review.

Interconnection Customer – Any entity, including BHP, any of the affiliates or subsidiaries of either, that proposes to interconnect its Small Generating Facility with BHP's Distribution System.

Interconnection Facilities – BHP's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Small Generating Facility and the Point of Common Coupling, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Small Generating Facility to BHP's Distribution System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades or Network Upgrades.

Interconnection Request – The Interconnection Customer's request, in accordance with the Tariff, to interconnect a new Small Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Small Generating Facility that is interconnected with BHP's Distribution System.



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GLOSSARY OF TERMS

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Material Modification – A modification that has a material impact on the cost or timing of any Interconnection Request with a later queue priority date.

Party or Parties – BHP, Interconnection Customer or any combination of the above.

Point of Common Coupling – The point where the Interconnection Facilities connect with BHP's Distribution System.

Queue Position – The order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests, that is established based upon the date and time of receipt of the valid Interconnection Request by BHP.

Small Generating Facility – The Interconnection Customer's device for the production of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

Spot Network – A section of the distribution system typically serving single large customers like hospitals, industrial facilities, and office buildings. A spot network system, as opposed to an area network or radial system, consists of two or more distribution lines that serve one customer so that when one line should fail, the others can still provide power to the customer.

Study Process – The procedure for evaluating an Interconnection Request that includes the Section 4 scoping meeting, feasibility study, system impact study, and facilities study.

Tariff – BHP's Tariff through which Interconnection Service is offered, as filed with the applicable state regulatory agency, and as amended or supplemented from time to time, or any successor tariff.

Technical Requirements – Refers to the Technical Requirements for Parallel Operation of Distribution Generation Facilities.

Transmission System – The facilities owned, controlled or operated by BHP which transport bulk power over longer distances.



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Rapid City, South Dakota

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APPLICATION

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Level 1

Application for Interconnecting a Certified Inverter-Based Small Generating Facility No Larger than 10 kW

This Application is considered complete when it provides all applicable and correct information required below. Additional information to evaluate the Application may be required.

Processing Fee

A non-refundable processing fee of \$100 must accompany this Application.

Interconnection Customer

Name: _____

Contact Person: _____

Address: _____

City: _____ State: _____ Zip: _____

Telephone (Day): _____ (Evening): _____

Fax: _____ E-Mail Address: _____

Contact (if different from Interconnection Customer)

Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Telephone (Day): _____ (Evening): _____

Fax: _____ E-Mail Address: _____

Owner of the facility (include % ownership by any electric utility): _____

Small Generating Facility Information

Location (if different from above): _____

BHP Account Number: _____



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APPLICATION

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Inverter Manufacturer: _____ Model _____

Nameplate Rating: _____ (kW) _____ (kVA) _____ (AC Volts)

Single Phase _____ Three Phase _____

System Design Capacity: _____ (kW) _____ (kVA)

Prime Mover: Photovoltaic Reciprocating Engine Fuel Cell

Turbine Other _____

Energy Source: Solar Wind Hydro Diesel Natural Gas

Fuel Oil Other (describe) _____

Is the equipment UL1741 Listed? Yes _____ No _____

If Yes, attach manufacturer's cut-sheet showing UL1741 listing

Estimated Installation Date: _____ Estimated In-Service Date: _____

The 10 kW Inverter Process is available only for inverter-based Small Generating Facilities no larger than 10 kW that meet the codes, standards, and certification requirements of Attachments 5 and 6 of the Interconnection Procedures for Distribution Generation Facilities (IPDGF), or BHP has reviewed the design or tested the proposed Small Generating Facility and is satisfied that it is safe to operate.

List components of the Small Generating Facility equipment package that are currently certified:

Equipment Type	Certifying Entity
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____

Interconnection Customer Signature

I hereby certify that, to the best of my knowledge, the information provided in this Application is true. I agree to abide by the Terms and Conditions for Interconnecting an Inverter-Based Small Generating Facility No Larger than 10 kW, which are attached hereto and made a part hereof, and return the Certificate of Completion when the Small Generating Facility has been installed.

Signed: _____

Title: _____ Date: _____

Contingent Approval to Interconnect the Small Generating Facility

(For Company use only)

Interconnection of the Small Generating Facility is approved contingent upon the Terms and Conditions for Interconnecting an Inverter-Based Small Generating Facility No Larger than 10 kW and return of the Certificate of Completion.

Company Signature: _____

Title: _____ Date: _____

BHP Contract No: _____ Company waives inspection/witness test? Yes ___ No ___



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APPLICATION

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Attachment A to Level 1 Application

Terms and Conditions for Interconnecting an Inverter-Based Small Generating Facility No Larger than 10 kW

- 1.0 **Construction of the Facility**

The Interconnection Customer (the "Customer") may proceed to construct (including operational testing not to exceed two hours) the Small Generating Facility when Black Hills Power, Inc. (the "Company") approves the Interconnection Application and returns it to the Customer.
- 2.0 **Interconnection and Operation**

The Customer may operate Small Generating Facility and interconnect with the Company's electric system once all of the following have occurred:

 - 2.1 Upon completing construction, the Customer will cause the Small Generating Facility to be inspected or otherwise certified by the appropriate local electrical wiring inspector with jurisdiction, and
 - 2.2 The Customer returns the Certificate of Completion to the Company, and
 - 2.3 The Company has either:
 - 2.3.1 Completed its inspection of the Small Generating Facility to ensure that all equipment has been appropriately installed and that all electrical connections have been made in accordance with applicable codes. All inspections must be conducted by the Company, at its own expense, within ten Business Days after receipt of the Certificate of Completion and shall take place at a time agreeable to the Parties. The Company shall provide a written statement that the Small Generating Facility has passed inspection or shall notify the Customer of what steps it must take to pass inspection as soon as practicable after the inspection takes place; or
 - 2.3.2 If the Company does not schedule an inspection of the Small Generating Facility within ten business days after receiving the Certificate of Completion, the witness test is deemed waived (unless the Parties agree otherwise); or
 - 2.3.3 The Company waives the right to inspect the Small Generating Facility.
 - 2.4 The Company has the right to disconnect the Small Generating Facility in the event of improper installation, failure to return the Certificate of Completion, or violation of the Technical Requirements.
 - 2.5 Revenue quality metering equipment must be installed and tested in accordance with applicable ANSI standards.



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APPLICATION

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3.0 Safe Operations and Maintenance

The Customer shall be fully responsible to own, operate, maintain, and repair all equipment on the Customer's side of the Point of Common Coupling as required to ensure that it complies at all times with the Technical Requirements to which it has been certified.

4.0 Access

The Company shall have access to the disconnect switch (if the disconnect switch is required) and metering equipment of the Small Generating Facility at all times. The Company shall provide reasonable notice to the Customer when possible prior to using its right of access.

5.0 Disconnection

The Company may disconnect the Small Generating Facility upon the following conditions:

- 5.1 For scheduled outages upon reasonable notice.
- 5.2 For unscheduled outages or emergency conditions.
- 5.3 If the Small Generating Facility does not operate in the manner consistent with these Terms and Conditions or BHP's Technical Requirements.
- 5.4 For any other reason not specifically identified but that may cause interference with providing service to other customers or put the Company's system at risk.

6.0 Indemnification

The Parties shall at all times indemnify, defend, and save the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or inactions of its obligations under this agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.

7.0 Insurance

Customer, at its own expense, shall secure and maintain in effect during the term of this Agreement, liability insurance with a combined single limit for bodily injury and property damage of not less than \$300,000 each occurrence. Such liability insurance shall not exclude coverage for any incident related to the subject generator or its operation. The policy shall include that written notice be given to the Company at least thirty (30) days prior to any cancellation or reduction of any coverage. A copy of the liability insurance certificate must be received by the Company prior to plant operation.

Certificates of Insurance evidencing the requisite coverage and provision(s) shall be furnished to utility prior to Date of Interconnection of the Generation System. Utilities shall be permitted to periodically obtain proof of current insurance coverage from the generating customer in order to verify proper liability insurance coverage. Customer will not be allowed to commence or continue interconnected operations unless evidence is provided that satisfactory insurance coverage is in effect at all times.



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8.0 **Limitation of Liability**

Each party's liability to the other party for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall either party be liable to the other party for any indirect, incidental, special, consequential, or punitive damages of any kind whatsoever, except as allowed under paragraph 6.0.

9.0 **Termination**

The agreement to operate in parallel may be terminated under the following conditions:

9.1 **By the Customer**

By providing written notice to the Company.

9.2 **By the Company**

If the Small Generating Facility fails to operate for any consecutive 12 month period or the Customer fails to remedy a violation of these Terms and Conditions.

9.3 **Permanent Disconnection**

In the event this Agreement is terminated, the Company shall have the right to disconnect its facilities or direct the Customer to disconnect its Small Generating Facility.

9.4 **Survival Rights**

This Agreement shall continue in effect after termination to the extent necessary to allow or require either Party to fulfill rights or obligations that arose under the Agreement.

10.0 **Assignment/Transfer of Ownership of the Facility**

This Agreement shall survive the transfer of ownership of the Small Generating Facility to a new owner when the new owner agrees in writing to comply with the terms of this Agreement and so notifies the Company.



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PROCEDURES

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Level 1 Procedures for Interconnecting a Certified Inverter-Based Small Generating Facility No Larger than 10 kW ("10 kW Inverter Process")

- 1.0 The Interconnection Customer ("Customer") completes the Interconnection Request ("Application") and submits it to BHP ("Company").
- 2.0 The Company acknowledges to the Customer receipt of the Application within three Business Days of receipt.
- 3.0 The Company evaluates the Application for completeness and notifies the Customer within ten Business Days of receipt that the Application is or is not complete and, if not, advises what material is missing.
- 4.0 The Company verifies that the Small Generating Facility can be interconnected safely and reliably using the screens contained in the Fast Track Process in the Interconnection Procedures for Distribution Generation Facilities (IPDGF). The Company has 15 Business Days to complete this process. Unless the Company determines and demonstrates that the Small Generating Facility cannot be interconnected safely and reliably, the Company approves the Application and returns it to the Customer. Note to Customer: Please check with the Company before submitting the Application if disconnection equipment is required.
- 5.0 After installation, the Customer returns the Certificate of Completion to the Company. Prior to parallel operation, the Company may inspect the Small Generating Facility for compliance with standards which may include a witness test, and may schedule appropriate metering replacement, if necessary.
- 6.0 The Company notifies the Customer in writing that interconnection of the Small Generating Facility is authorized. If the witness test is not satisfactory, the Company has the right to disconnect the Small Generating Facility. The Customer has no right to operate in parallel until a witness test has been performed, or previously waived on the Application. The Company is obligated to complete this witness test within ten Business Days of the receipt of the Certificate of Completion. If the Company does not inspect within ten Business Days or by mutual agreement of the Parties, the witness test is deemed waived.
- 7.0 Contact Information – The Customer must provide the contact information for the legal applicant (*i.e.*, the Interconnection Customer). If another entity is responsible for interfacing with the Company, that contact information must be provided on the Application.
- 8.0 Ownership Information – Enter the legal names of the owner(s) of the Small Generating Facility. Include the percentage ownership (if any) by any utility or public utility holding company, or by any entity owned by either.

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Manager of Tariff Administration
and Rate Design

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Black Hills Power, Inc.
Rapid City, South Dakota

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PROCEDURES

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- 9.0 UL1741 Listed – This standard ("Inverters, Converters, and Controllers for Use in Independent Power Systems") addresses the electrical interconnection design of various forms of generating equipment. Many manufacturers submit their equipment to a Nationally Recognized Testing Laboratory (NRTL) that verifies compliance with UL1741. This "listing" is then marked on the equipment and supporting documentation.

Page 2

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Black Hills Power, Inc.
Rapid City, South Dakota

SOUTH DAKOTA ELECTRIC RATE BOOK

CERTIFICATE OF COMPLETION

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**Level 1
Small Generating Facility Certificate of Completion**

Is the Small Generating Facility owner-installed? Yes _____ No _____

Interconnection Customer: _____

Contact Person: _____

Address: _____

Location of the Small Generating Facility (if different from above):

City: _____ State: _____ Zip Code: _____

Telephone (Day): _____ (Evening): _____

Fax: _____ E-Mail Address: _____

Electrician:

Name: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Telephone (Day): _____ (Evening): _____

Fax: _____ E-Mail Address: _____

License number: _____

Date Approval to Install Facility granted by the Company: _____

Application ID number: _____

Inspection:

The Small Generating Facility has been installed and inspected in compliance with the local building/electrical code of _____

Signed (Local electrical wiring inspector, or attach signed electrical inspection):

Print Name: _____

Date: _____



Black Hills Power, Inc.
Rapid City, South Dakota

SOUTH DAKOTA ELECTRIC RATE BOOK

CERTIFICATE OF COMPLETION

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As a condition of interconnection, you are required to send/fax a copy of this form along with a copy of the signed electrical permit to:

James V. Keck

Black Hills Power, Inc.

P.O. Box 1400

Rapid City, SD 57709

Fax Number: 605-721-2577

Approval to Energize the Small Generating Facility (For BHP use only)

Energizing the Small Generating Facility is approved contingent upon the Terms and Conditions for Interconnecting an Inverter-Based Small Generating Facility No Larger than 10 kW

BHP Signature: _____

Title: _____ Date: _____



Black Hills Power, Inc.
Rapid City, South Dakota

SOUTH DAKOTA ELECTRIC RATE BOOK

CERTIFICATION CODES AND STANDARDS

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Certification Codes and Standards

IEEE1547 Standard for Interconnecting Distributed Resources with Electric Power Systems (including use of IEEE 1547.1 testing protocols to establish conformity)

UL 1741 Inverters, Converters, and Controllers for Use in Independent Power Systems

IEEE Std 929-2000 IEEE Recommended Practice for Utility Interface of Photovoltaic (PV) Systems

NFPA 70 (2002), National Electrical Code

IEEE Std C37.90.1-1989 (R1994), IEEE Standard Surge Withstand Capability (SWC) Tests for Protective Relays and Relay Systems

IEEE Std C37.90.2 (1995), IEEE Standard Withstand Capability of Relay Systems to Radiated Electromagnetic Interference from Transceivers

IEEE Std C37.108-1989 (R2002), IEEE Guide for the Protection of Network Transformers

IEEE Std C57.12.44-2000, IEEE Standard Requirements for Secondary Network Protectors

IEEE Std C62.41.2-2002, IEEE Recommended Practice on Characterization of Surges in Low Voltage (1000V and Less) AC Power Circuits

IEEE Std C62.45-1992 (R2002), IEEE Recommended Practice on Surge Testing for Equipment Connected to Low-Voltage (1000V and Less) AC Power Circuits

ANSI C84.1-1995 Electric Power Systems and Equipment – Voltage Ratings (60 Hertz)

IEEE Std 100-2000, IEEE Standard Dictionary of Electrical and Electronic Terms
NEMA MG 1-1998, Motors and Small Resources, Revision 3

IEEE Std 519-1992, IEEE Recommended Practices and Requirements for Harmonic Control in Electrical Power Systems

NEMA MG 1-2003 (Rev 2004), Motors and Generators, Revision 1



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Certification of Small Generator Equipment Packages

- 1.0 Small Generating Facility equipment proposed for use separately or packaged with other equipment in an interconnection system shall be considered certified for interconnected operation if (1) it has been tested in accordance with industry standards for continuous utility interactive operation in compliance with the appropriate codes and standards referenced below by any Nationally Recognized Testing Laboratory (NRTL) recognized by the United States Occupational Safety and Health Administration to test and certify interconnection equipment pursuant to the relevant codes and standards listed in IPDGF Attachment 5, (2) it has been labeled and is publicly listed by such NRTL at the time of the interconnection application, and (3) such NRTL makes readily available for verification all test standards and procedures it utilized in performing such equipment certification, and, with consumer approval, the test data itself. The NRTL may make such information available on its website and by encouraging such information to be included in the manufacturer's literature accompanying the equipment.
- 2.0 The Interconnection Customer must verify that the intended use of the equipment falls within the use or uses for which the equipment was tested, labeled, and listed by the NRTL.
- 3.0 Certified equipment shall not require further type-test review, testing, or additional equipment to meet the requirements of this interconnection procedure; however, nothing herein shall preclude the need for an on-site commissioning test by the parties to the interconnection nor follow-up production testing by the NRTL.
- 4.0 If the certified equipment package includes only interface components (switchgear, inverters, or other interface devices), then an Interconnection Customer must show that the generator or other electric source being utilized with the equipment package is compatible with the equipment package and is consistent with the testing and listing specified for this type of interconnection equipment.
- 5.0 Provided the generator or electric source, when combined with the equipment package, is within the range of capabilities for which it was tested by the NRTL, and does not violate the interface components' labeling and listing performed by the NRTL, no further design review, testing or additional equipment on the customer side of the Point of Common Coupling shall be required to meet the requirements of this interconnection procedure.
- 6.0 An equipment package does not include equipment provided by the utility.



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Rapid City, South Dakota

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SMALL GENERATOR INTERCONNECTION REQUEST

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SMALL GENERATOR INTERCONNECTION REQUEST For Level 2 and Level 3 (Application Form)

Black Hills Power, Inc.

James V. Keck

P.O. Box 1400, Rapid City, SD 57709

Telephone Number: 605-721-2612

Fax Number: 605-721-2577

E-Mail Address: jvkeck@blackhillspower.com

An Interconnection Request is considered complete when it provides all applicable and correct information required below.

Preamble and Instructions

An Interconnection Customer who requests an interconnection must submit this Interconnection Request by hand delivery, mail, e-mail, or fax to BHP.

Processing Fee or Deposit:

If the Interconnection Request is submitted under the Level 2 – Fast Track Process, the non-refundable processing fee is \$500.

If the Interconnection Request is submitted under the Level 3 – Study Process, whether a new submission or an Interconnection Request that did not pass the Level 1 – 10 kW Inverter Process or Level 2 Process, the Interconnection Customer shall submit to BHP a deposit of 50% of the cost of the feasibility study.

Interconnection Customer Information

Legal Name of the Interconnection Customer (or, if an individual, individual's name)

Name: _____

Contact Person: _____

Mailing Address: _____

City: _____ State: _____ Zip: _____

Facility Location (if different from above): _____

Telephone (Day): _____ Telephone (Evening): _____

Fax: _____ E-Mail Address: _____



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Rapid City, South Dakota

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SMALL GENERATOR INTERCONNECTION REQUEST

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Alternative Contact Information (if different from the Interconnection Customer)

Contact Name: _____

Title: _____

Address: _____

Telephone (Day): _____ Telephone (Evening): _____

Fax: _____ E-Mail Address: _____

Application is for: _____ New Small Generating Facility
 _____ Capacity addition to Existing Small Generating Facility

If capacity addition to existing facility, please describe: _____

Will the Small Generating Facility be used for any of the following?

To Supply Power to the Interconnection Customer? Yes ___ No ___

To Supply Power to BHP? Yes ___ No ___

For installations at locations with existing electric service to which the proposed Small Generating Facility will interconnect, provide:

(Existing BHP Account Number*)



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Requested Point of Common Coupling: _____

Interconnection Customer's Requested In-Service Date: _____

Small Generating Facility Information

Data apply only to the Small Generating Facility, not the Interconnection Facilities.

Energy Source: Solar Wind Hydro Hydro Type (e.g. Run-of-River): _____
Diesel Natural Gas Fuel Oil Other (state type) _____

Prime Mover: Fuel Cell Recip Engine Gas Turb Steam Turb
 Microturbine PV Other

Type of Generator: Synchronous Induction Inverter

Generator Nameplate Rating: _____ kW (Typical) Generator Nameplate kVAR: _____

Interconnection Customer or Customer-Site Load: _____ kW (if none, so state)

Typical Reactive Load (if known): _____

Maximum Physical Export Capability Requested: _____ kW

List components of the Small Generating Facility equipment package that are currently certified:

Equipment Type	Certifying Entity
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____

Is the prime mover compatible with the certified protective relay package? Yes No

Generator (or solar collector)
Manufacturer, Model Name & Number: _____
Version Number: _____

Nameplate Output Power Rating in kW: (Summer) _____ (Winter) _____
Nameplate Output Power Rating in kVA: (Summer) _____ (Winter) _____

Individual Generator Power Factor
Rated Power Factor: Leading: _____ Lagging: _____

Total Number of Generators in wind farm to be interconnected pursuant to this
Interconnection Request: _____ Elevation: _____ Single phase Three phase

Inverter Manufacturer, Model Name & Number (if used): _____



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List of adjustable set points for the protective equipment or software: _____

Small Generating Facility Characteristic Data (for inverter-based machines)

Max design fault contribution current: _____ Instantaneous ___ or RMS? _____

Harmonics Characteristics: _____

Start-up requirements: _____

Small Generating Facility Characteristic Data (for rotating machines)

RPM Frequency: _____
(* Neutral Grounding Resistor (If Applicable): _____

Synchronous Generators:

Direct Axis Synchronous Reactance, X_d : _____ P.U.
Direct Axis Transient Reactance, X'_d : _____ P.U.
Direct Axis Subtransient Reactance, X''_d : _____ P.U.
Negative Sequence Reactance, X_2 : _____ P.U.
Zero Sequence Reactance, X_0 : _____ P.U.
KVA Base: _____
Field Volts: _____
Field Amperes: _____

Induction Generators:

Motoring Power (kW): _____
 I_2^2t or K (Heating Time Constant): _____
Rotor Resistance, R_r : _____
Stator Resistance, R_s : _____
Stator Reactance, X_s : _____
Rotor Reactance, X_r : _____
Magnetizing Reactance, X_m : _____
Short Circuit Reactance, X_d'' : _____
Exciting Current: _____
Temperature Rise: _____
Frame Size: _____
Design Letter: _____
Reactive Power Required In Vars (No Load): _____
Reactive Power Required In Vars (Full Load): _____
Total Rotating Inertia, H: _____ Per Unit on kVA Base



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Rapid City, South Dakota

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Note: Please contact BHP prior to submitting the Interconnection Request to determine if the specified information above is required.

Excitation and Governor System Data for Synchronous Generators Only

Provide appropriate IEEE model block diagram of excitation system, governor system and power system stabilizer (PSS) in accordance with the regional reliability council criteria. A PSS may be determined to be required by applicable studies. A copy of the manufacturer's block diagram may not be substituted.

Interconnection Facilities Information

Will a transformer be used between the generator and the Point of Common Coupling? ___Yes ___No

Will the transformer be provided by the Interconnection Customer? ___Yes ___No

Transformer Data (If Applicable, for Interconnection Customer-Owned Transformer):

Is the transformer: ___single phase ___three phase? Size: _____kVA
Transformer Impedance: _____% on _____kVA Base

If Three Phase:

Transformer Primary: ___Volts ___Delta ___Wye ___Wye Grounded

Transformer Secondary: ___Volts ___Delta ___Wye ___Wye Grounded

Transformer Tertiary: ___Volts ___Delta ___Wye ___Wye Grounded

Transformer Fuse Data (If Applicable, for Interconnection Customer-Owned Fuse):

(Attach copy of fuse manufacturer's Minimum Melt and Total Clearing Time-Current Curves)

Manufacturer: _____ Type: _____ Size: _____ Speed: _____

Interconnecting Circuit Breaker (if applicable):

Manufacturer: _____ Type: _____
Load Rating (Amps): _____ Interrupting Rating (Amps): _____ Trip Speed (Cycles): _____

Interconnection Protective Relays (If Applicable):

If Microprocessor-Controlled:

List of Functions and Adjustable Setpoints for the protective equipment or software:

Setpoint Function	Minimum	Maximum
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
5. _____	_____	_____
6. _____	_____	_____



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If Discrete Components:

(Enclose Copy of any Proposed Time-Overcurrent Coordination Curves)

Manufacturer: _____	Type: _____	Style/Catalog No.: _____	Proposed Setting: _____
Manufacturer: _____	Type: _____	Style/Catalog No.: _____	Proposed Setting: _____
Manufacturer: _____	Type: _____	Style/Catalog No.: _____	Proposed Setting: _____
Manufacturer: _____	Type: _____	Style/Catalog No.: _____	Proposed Setting: _____
Manufacturer: _____	Type: _____	Style/Catalog No.: _____	Proposed Setting: _____

Current Transformer Data (If Applicable):

(Enclose Copy of Manufacturer's Excitation and Ratio Correction Curves)

Manufacturer: _____
Type: _____ Accuracy Class: ___ Proposed Ratio Connection: _____

Manufacturer: _____
Type: _____ Accuracy Class: ___ Proposed Ratio Connection: _____

Potential Transformer Data (If Applicable):

Manufacturer: _____
Type: _____ Accuracy Class: ___ Proposed Ratio Connection: _____

Manufacturer: _____
Type: _____ Accuracy Class: ___ Proposed Ratio Connection: _____

General Information

Enclose copy of site electrical one-line diagram showing the configuration of all Small Generating Facility equipment, current and potential circuits, protection and control schemes, and electrical system characteristics. This one-line diagram must be signed and stamped by a licensed Professional Engineer if the Small Generating Facility is larger than 50 kW.

Is One-Line Diagram Enclosed? ___Yes ___No

Enclose copy of any site documentation that indicates the precise physical location of the proposed Small Generating Facility (e.g., USGS topographic map or other diagram or documentation).

Proposed location of protective interface equipment on property (include address if different from the Interconnection Customer's address)

Enclose copy of any site documentation that describes and details the operation of the protection and control schemes.

Is Available Documentation Enclosed? ___Yes ___No



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Rapid City, South Dakota

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Enclose copies of schematic drawings for all protection and control circuits, relay current circuits, relay potential circuits, and alarm/monitoring circuits (if applicable).
Are Schematic Drawings Enclosed? ___Yes ___No

Applicant Signature

I hereby certify that, to the best of my knowledge, all the information provided in this Interconnection Request is true and correct.

For Interconnection Customer: _____ Date: _____



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Rapid City, South Dakota

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Interconnection Agreement Level 2 and Level 3

INTERCONNECTION AGREEMENT FOR DISTRIBUTION GENERATION FACILITIES (IADGF)

Date Filed: September 24, 2007

By: Don Martinez
Manager of Tariff Administration
and Rate Design

Effective Date: For service on
and after _____



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Rapid City, South Dakota

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This Interconnection Agreement ("Agreement") is made and entered into this _____ day of _____, 20__, by Black Hills Power, Inc. ("BHP"), a South Dakota corporation and _____, a _____ corporation ("Interconnection Customer") each hereinafter sometimes referred to individually as "Party" or both referred to collectively as the "Parties."

Black Hills Power, Inc. Information

Black Hills Power, Inc.
Attention: Energy Services Supervisor
P.O. Box 1400
409 Deadwood Ave.
Rapid City, SD 57709
Phone: 605-721-3200 Fax: 605-721-2577

Interconnection Customer Information

Interconnection Customer: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ Fax: _____

BHP Contract No: _____

In consideration of the mutual covenants set forth herein, the Parties agree as follows:

Article 1. Scope and Limitations of Agreement

- 1.1 This Agreement shall be used for all Interconnection Requests submitted under the Interconnection Procedures for Distribution Generation Facilities (IPDGF) except for those submitted under the 10 kW Inverter Process contained in IPDGF Attachment 2.
- 1.2 This Agreement governs the terms and conditions under which the Interconnection Customer's Small Generating Facility will interconnect with, and operate in parallel with, BHP's Distribution System.
- 1.3 This Agreement does not constitute an agreement to purchase or deliver the Interconnection Customer's power. The purchase or delivery of power and other services that the Interconnection Customer may require will be covered under separate agreements.
- 1.4 Nothing in this Agreement is intended to affect any other agreement between



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BHP and the Interconnection Customer.

1.5 Responsibilities of the Parties

- 1.5.1 The Parties shall perform all obligations of this Agreement in accordance with all Applicable Laws and Regulations, Operating Requirements, and Good Utility Practice.
- 1.5.2 The Interconnection Customer shall construct, interconnect, operate and maintain its Small Generating Facility and construct, operate, and maintain its Interconnection Facilities in accordance with the applicable manufacturer's recommended maintenance schedule, this Agreement, Technical Requirements for Parallel Operation of Distribution Generation Facilities (Technical Requirements), and with Good Utility Practice.
- 1.5.3 BHP shall construct, operate, and maintain its Distribution System and Interconnection Facilities in accordance with this Agreement, and with Good Utility Practice.
- 1.5.4 The Interconnection Customer agrees to construct its facilities or systems in accordance with applicable specifications that meet or exceed those provided by the National Electrical Safety Code, the American National Standards Institute, IEEE, Underwriter's Laboratory, and Operating Requirements in effect at the time of construction and other applicable national and state codes and standards. The Interconnection Customer agrees to design, install, maintain, and operate its Small Generating Facility so as to reasonably minimize the likelihood of a disturbance adversely affecting or impairing the system or equipment of BHP or Affected Systems.
- 1.5.5 Each Party shall operate, maintain, repair, and inspect, and shall be fully responsible for the facilities that it now or subsequently may own unless otherwise specified in the Attachments to this Agreement. Each Party shall be responsible for the safe installation, maintenance, repair and condition of their respective lines and appurtenances on their respective sides of the Point of Common Coupling. BHP and the Interconnection Customer, as appropriate, shall provide Interconnection Facilities that adequately protect BHP's Distribution System, personnel, and other persons from damage and injury. The allocation of responsibility for the design, installation, operation, maintenance and ownership of Interconnection Facilities shall be delineated in the Attachments to this Agreement.
- 1.5.6 BHP shall coordinate with all Affected Systems to support the

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interconnection.

1.6 Parallel Operation Obligations

Once the Small Generating Facility has been authorized to commence parallel operation, the Interconnection Customer shall abide by all rules and procedures pertaining to the parallel operation of the Small Generating, including, but not limited to; 1) the rules and procedures concerning the operation of generation set forth by BHP's System Control department; and 2) the Operating Requirements set forth in Attachment E of this Agreement.

1.7 Metering

The Interconnection Customer shall be responsible for BHP's reasonable and necessary cost for the purchase, installation, operation, maintenance, testing, repair, and replacement of metering and data acquisition equipment specified in Attachments B and C of this Agreement. The Interconnection Customer's metering (and data acquisition, as required) equipment shall conform to BHP's metering requirements and operating requirements.

1.8 Reactive Power

1.8.1 The Interconnection Customer shall design its Small Generating Facility to maintain a composite power delivery at continuous rated power output at the Point of Interconnection at a power factor within the range of 0.95 leading to 0.95 lagging, unless BHP has established different requirements that apply to all similarly situated generators on a comparable basis.

1.9 Capitalized terms used herein shall have the meanings specified in the Glossary of Terms in Attachment A or the body of this Agreement.

Article 2. Inspection, Testing, Authorization, and Right of Access

2.1 Equipment Testing and Inspection

2.1.1 The Interconnection Customer shall test and inspect its Small Generating Facility and Interconnection Facilities prior to interconnection. The Interconnection Customer shall notify BHP of such activities no fewer than five Business Days (or as may be agreed to by the Parties) prior to such testing and inspection. Testing and inspection shall occur on a Business Day. BHP may, at the Interconnection Customer's expense, send qualified personnel to the Small Generating Facility site to inspect the interconnection and observe the testing. The Interconnection Customer shall provide BHP a written test report when such testing and inspection is completed.



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2.1.2 BHP shall provide the Interconnection Customer written acknowledgment that it has received the Interconnection Customer's written test report. Such written acknowledgment shall not be deemed to be or construed as any representation, assurance, guarantee, or warranty by BHP of the safety, durability, suitability, or reliability of the Small Generating Facility or any associated control, protective, and safety devices owned or controlled by the Interconnection Customer or the quality of power produced by the Small Generating Facility.

2.2 Authorization Required Prior to Parallel Operation

2.2.1 BHP shall use Reasonable Efforts to list applicable parallel operation requirements in Attachment E of this Agreement. Additionally, BHP shall notify the Interconnection Customer of any changes to these requirements as soon as they are known. BHP shall make Reasonable Efforts to cooperate with the Interconnection Customer in meeting requirements necessary for the Interconnection Customer to commence parallel operations by the in-service date.

2.2.2 The Interconnection Customer shall not operate its Small Generating Facility in parallel with BHP's Distribution System without prior written authorization of BHP. BHP will provide such authorization once BHP receives notification that the Interconnection Customer has complied with all applicable parallel operation requirements. Such authorization shall not be unreasonably withheld, conditioned, or delayed.

2.3 Right of Access

2.3.1 Upon reasonable notice, BHP may send a qualified person to the premises of the Interconnection Customer at or immediately before the time the Small Generating Facility first produces energy to inspect the interconnection, and observe the commissioning of the Small Generating Facility (including any required testing), startup, and operation for a period of up to three Business Days after initial start-up of the unit. In addition, the Interconnection Customer shall notify BHP at least five Business Days prior to conducting any on-site verification testing of the Small Generating Facility.

2.3.2 Following the initial inspection process described above, at reasonable hours, and upon reasonable notice, or at any time without notice in the event of an emergency or hazardous condition, BHP shall have access to the Interconnection Customer's premises for any reasonable purpose in

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Date Filed: September 24, 2007

By: Don Martinez
Manager of Tariff Administration
and Rate Design

Effective Date: For service on
and after _____



Black Hills Power, Inc.
Rapid City, South Dakota

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connection with the performance of the obligations imposed on it by this Agreement or if necessary to meet its legal obligation to provide service to its customers.

Article 3. Effective Date, Term, Termination, and Disconnection

3.1 Effective Date

This Agreement shall become effective upon execution by the Parties subject to acceptance by FERC (if applicable), or if filed unexecuted, upon the date specified by the FERC. BHP shall promptly file this Agreement with the FERC upon execution, if required.



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3.2 Term of Agreement

This Agreement shall become effective on the Effective Date and shall remain in effect for a period of three years from the Effective Date or such other longer period as the Interconnection Customer may request and shall be automatically renewed for each successive one-year period thereafter, unless terminated earlier in accordance with article 3.3 of this Agreement.

3.3 Termination

Termination may become effective as follows:

3.3.1 The Interconnection Customer may terminate this Agreement at any time by giving BHP 20 Business Days written notice.

3.3.2 Either Party may terminate this Agreement after Default pursuant to article 7.6.

3.3.3 Upon termination of this Agreement, the Small Generating Facility will be disconnected from BHP's Distribution System. The termination of this Agreement shall not relieve either Party of its liabilities and obligations, owed or continuing at the time of the termination.

3.3.4 This provisions of this article shall survive termination or expiration of this Agreement.

3.4 Temporary Disconnection

Temporary disconnection shall continue only for so long as reasonably necessary under Good Utility Practice.

3.4.1 Emergency Conditions -- "Emergency Condition" shall mean a condition or situation: (1) that in the judgment of the Party making the claim is imminently likely to endanger life or property; or (2) that, in the case of BHP, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to the Distribution System, BHP's Interconnection Facilities or the Distribution Systems of others to which the BHP Distribution System is directly connected; or (3) that, in the case of the Interconnection Customer, is imminently likely (as determined in a non-discriminatory manner) to cause a material adverse effect on the security of, or damage to, the Small Generating Facility or the Interconnection Customer's Interconnection Facilities. Under Emergency Conditions, BHP may immediately suspend interconnection service and temporarily disconnect the Small Generating Facility. BHP shall notify the Interconnection Customer as soon as practicable when it becomes aware of an Emergency Condition that may reasonably be expected to affect the Interconnection Customer's operation



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4.1 Interconnection Facilities

- 4.1.1 The Interconnection Customer shall pay for the cost of the Interconnection Facilities itemized in Attachment B of this Agreement. BHP shall provide a best estimate cost, including overheads, for the purchase and construction of its Interconnection Facilities and provide a detailed itemization of such costs.
- 4.1.2 The Interconnection Customer shall be responsible for all reasonable expenses, including overheads, associated with owning, operating, maintaining, repairing, and replacing its own Interconnection Facilities.
- 4.1.3 In instances where payments received for services performed by BHP are determined to be non-refundable contributions in aid of construction (CIAC), there will be a twenty-six (26) percent add-on to the bill as a line item. As a result of the 1986 Tax Act, CIAC are treated as taxable income and therefore subject to corporate income tax as prescribed under Internal Revenue Code Section 118(b). In order for BHP to recover dollar for dollar on projects it undertakes and some portion of the associated income tax obligation, it has to charge the cost plus twenty-six percent income tax. The twenty-six percent factor reflects the tax benefit related to tax depreciation deductions that BHP will be allowed to claim on its future tax returns because CIAC result in additional property basis as a result of being taxable in the year of receipt. This add-on factor, including the recognition of the benefit from future tax depreciation, is standard practice in the industry. It is also important to note that BHP is not profiting from the collection of the tax.

4.2 Distribution Upgrades

BHP shall design, procure, construct, install, and own the Distribution Upgrades described in Attachment E of this Agreement. The actual cost of the Distribution Upgrades, including overheads, shall be paid by the Interconnection Customer.

Article 5. Billing, Payment and Financial Security

5.1 Billing and Payment Procedures and Final Accounting

- 5.1.1 BHP shall bill the Interconnection Customer for the design, engineering, construction, and procurement costs of Interconnection Facilities and Upgrades contemplated by this Agreement on a monthly basis, or as otherwise agreed by the Parties. The Interconnection Customer shall pay each bill within 30 calendar days of receipt, or as otherwise agreed to by the Parties.



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5.1.2 Within three months of completing the construction and installation of BHP's Interconnection Facilities and/or Upgrades described in the Attachments to this Agreement, BHP shall provide the Interconnection Customer with a final accounting report of any difference between (1) the Interconnection Customer's cost responsibility for the actual cost of such facilities or Upgrades, and (2) the Interconnection Customer's previous aggregate payments to BHP for such facilities or Upgrades. If the Interconnection Customer's cost responsibility exceeds its previous aggregate payments, BHP shall invoice the Interconnection Customer for the amount due and the Interconnection Customer shall make payment to BHP within 30 calendar days. If the Interconnection Customer's previous aggregate payments exceed its cost responsibility under this Agreement, BHP shall refund to the Interconnection Customer an amount equal to the difference within 30 calendar days of the final accounting report.

5.2 Financial Security Arrangements

At least 20 Business Days prior to the commencement of the design, procurement, installation, or construction of a discrete portion of BHP's Interconnection Facilities and Upgrades, the Interconnection Customer shall provide BHP, at the Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security that is reasonably acceptable to BHP and is consistent with the Uniform Commercial Code of the jurisdiction where the Point of Interconnection is located. Such security for payment shall be in an amount sufficient to cover the costs for constructing, designing, procuring, and installing the applicable portion of BHP's Interconnection Facilities and Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to BHP under this Agreement during its term. In addition:

- 5.2.1 The guarantee must be made by an entity that meets the creditworthiness requirements of BHP, and contain terms and conditions that guarantee payment of any amount that may be due from the Interconnection Customer, up to an agreed-to maximum amount.
- 5.2.2 The letter of credit or surety bond must be issued by a financial institution or insured reasonably acceptable to BHP and must specify a reasonable expiration date.

Article 6. Assignment, Liability, Indemnity, Force Majeure, Consequential Damages, and Default

6.1 Assignment

This Agreement may be assigned by either Party upon 15 Business Days prior written notice and opportunity to object by the other Party; provided that:



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- 6.1.1 Either Party may assign this Agreement without the consent of the other Party to any affiliate of the assigning Party with an equal or greater credit rating and with the legal authority and operational ability to satisfy the obligations of the assigning Party under this Agreement;
- 6.1.2 The Interconnection Customer shall have the right to assign this Agreement, without the consent of BHP, for collateral security purposes to aid in providing financing for the Small Generating Facility, provided that the Interconnection Customer will promptly notify BHP of any such assignment.
- 6.1.3 Any attempted assignment that violates this article is void and ineffective. Assignment shall not relieve a Party of its obligations, nor shall a Party's obligations be enlarged, in whole or in part, by reason thereof. An assignee is responsible for meeting the same financial, credit, and insurance obligations as the Interconnection Customer. Where required, consent to assignment will not be unreasonably withheld, conditioned or delayed.
- 6.2 Limitation of Liability
Each Party's liability to the other Party for any loss, cost, claim, injury, liability, or expense, including reasonable attorney's fees, relating to or arising from any act or omission in its performance of this Agreement, shall be limited to the amount of direct damage actually incurred. In no event shall either Party be liable to the other Party for any indirect, special, consequential, or punitive damages, except as authorized by this Agreement.
- 6.3 Indemnity
- 6.3.1 This provision protects each Party from liability incurred to third parties as a result of carrying out the provisions of this Agreement. Liability under this provision is exempt from the general limitations on liability found in article 7.2.
- 6.3.2 The Parties shall at all times indemnify, defend, and hold the other Party harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other Party's action or failure to meet its obligations under this Agreement on behalf of the indemnifying Party, except in cases of gross negligence or intentional wrongdoing by the indemnified Party.



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- 6.3.3 If an indemnified person is entitled to indemnification under this article as a result of a claim by a third party, and the indemnifying Party fails, after notice and reasonable opportunity to proceed under this article, to assume the defense of such claim, such indemnified person may at the expense of the indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.
- 6.3.4 If an indemnifying party is obligated to indemnify and hold any indemnified person harmless under this article, the amount owing to the indemnified person shall be the amount of such indemnified person's actual loss, net of any insurance or other recovery.
- 6.3.5 Promptly after receipt by an indemnified person of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in this article may apply, the indemnified person shall notify the indemnifying party of such fact. Any failure of or delay in such notification shall not affect a Party's indemnification obligation unless such failure or delay is materially prejudicial to the indemnifying party.



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6.4 Consequential Damages

Other than as expressly provided for in this Agreement, neither Party shall be liable under any provision of this Agreement for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages, including but not limited to loss of profit or revenue, loss of the use of equipment, cost of capital, cost of temporary equipment or services, whether based in whole or in part in contract, in tort, including negligence, strict liability, or any other theory of liability; provided, however, that damages for which a Party may be liable to the other Party under another agreement will not be considered to be special, indirect, incidental, or consequential damages hereunder.

6.5 Force Majeure

6.5.1 As used in this article, a Force Majeure Event shall mean "any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party's control. A Force Majeure Event does not include an act of negligence or intentional wrongdoing."

6.5.2 If a Force Majeure Event prevents a Party from fulfilling any obligations under this Agreement, the Party affected by the Force Majeure Event (Affected Party) shall promptly notify the other Party, either in writing or via the telephone, of the existence of the Force Majeure Event. The notification must specify in reasonable detail the circumstances of the Force Majeure Event, its expected duration, and the steps that the Affected Party is taking to mitigate the effects of the event on its performance. The Affected Party shall keep the other Party informed on a continuing basis of developments relating to the Force Majeure Event until the event ends. The Affected Party will be entitled to suspend or modify its performance of obligations under this Agreement (other than the obligation to make payments) only to the extent that the effect of the Force Majeure Event cannot be mitigated by the use of Reasonable Efforts. The Affected Party will use Reasonable Efforts to resume its performance as soon as possible.

6.6 Default

6.6.1 No Default shall exist where such failure to discharge an obligation (other than the payment of money) is the result of a Force Majeure Event as defined in this Agreement or the result of an act or omission of the other Party. Upon a Default, the non-defaulting Party shall give written notice of



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such Default to the defaulting Party. Except as provided in article 7.6.2, the defaulting Party shall have 60 calendar days from receipt of the Default notice within which to cure such Default; provided however, if such Default is not capable of cure within 60 calendar days, the defaulting Party shall commence such cure within 20 calendar days after notice and continuously and diligently complete such cure within six months from receipt of the Default notice; and, if cured within such time, the Default specified in such notice shall cease to exist.

6.6.2 If a Default is not cured as provided in this article, or if a Default is not capable of being cured within the period provided for herein, the non-defaulting Party shall have the right to terminate this Agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this Agreement, to recover from the defaulting Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity. The provisions of this article will survive termination of this Agreement.

Article 7. Insurance

7.1 The Interconnection Customer shall, at its own expense, maintain in force general liability insurance without any exclusion for liabilities related to the interconnection undertaken pursuant to this Agreement. For systems above 10 kW and up to 2 MW, the Customer, at its own expense, shall secure and maintain in effect during the term of the Agreement liability insurance with a combined single limit for bodily injury and property damage of not less than \$2,000,000 for each occurrence. Insurance coverage for systems greater than 2 MW shall be determined on a case-by-case basis by BHP and shall reflect the size of the installation and the potential for system damage. The amount of such insurance shall be sufficient to insure against all reasonably foreseeable direct liabilities given the size and nature of the generating equipment being interconnected, the interconnection itself, and the characteristics of the system to which the interconnection is made. The Interconnection Customer shall obtain additional insurance only if necessary as a function of owning and operating a generating facility. Such insurance shall be obtained from an insurance provider authorized to do business in the State where the interconnection is located.

7.2 Certificates of Insurance evidencing the requisite coverage and provision(s) shall be furnished to BHP no later than ten (10) Business Days prior to the anticipated date of interconnection. Interconnection Customer shall provide to BHP proof of current insurance coverage annually in order to verify proper liability insurance coverage. An Interconnection Customer of sufficient credit-worthiness may propose to self-insure for such liabilities, and such a proposal shall not be



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unreasonably rejected. Interconnection Customer will not be allowed to commence or continue interconnected operations unless evidence is provided that satisfactory insurance coverage is in effect at all times.

- 7.3 BHP agrees to maintain general liability insurance or self-insurance consistent with BHP's commercial practice. Such insurance or self-insurance shall not exclude coverage for BHP's liabilities undertaken pursuant to this Agreement.
- 7.4 The Parties further agree to notify each other whenever an accident or incident occurs resulting in any injuries or damages that are included within the scope of coverage of such insurance, whether or not such coverage is sought.

Article 8. Confidentiality

- 8.1 Confidential Information shall mean any confidential and/or proprietary information provided by one Party to the other Party. For purposes of this Agreement all design, operating specifications, and metering data provided by BHP or the Interconnection Customer shall be deemed Confidential Information regardless of whether it is clearly marked or otherwise designated as such.
- 8.2 Confidential Information does not include information previously in the public domain, required to be publicly submitted or divulged by Governmental Authorities (after notice to the other Party and after exhausting any opportunity to oppose such publication or release), or necessary to be divulged in an action to enforce this Agreement. Each Party receiving Confidential Information shall hold such information in confidence and shall not disclose it to any third party nor to the public without the prior written authorization from the Party providing that information, except to fulfill obligations under this Agreement, or to fulfill legal or regulatory requirements.
 - 8.2.1 Each Party shall employ at least the same standard of care to protect Confidential Information obtained from the other Party as it employs to protect its own Confidential Information.
 - 8.2.2 Each Party is entitled to equitable relief, by injunction or otherwise, to enforce its rights under this provision to prevent the release of Confidential Information without bond or proof of damages, and may seek other remedies available at law or in equity for breach of this provision.
- 8.3 Notwithstanding anything in this article to the contrary, during the course of an investigation or otherwise, the state regulatory body may request information from one of the Parties that is otherwise required to be maintained in confidence pursuant to this Agreement. The Party from whom the request is made shall notify the other Party to this Agreement when it is notified by the state regulatory body that a request to release Confidential Information has been received, at



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which time either of the Parties may respond before such information would be made public.

Article 9. Disputes

- 9.1 The Parties agree to attempt to resolve all disputes arising out of the interconnection process according to the provisions of this article.
- 9.2 In the event of a dispute, either Party shall provide the other Party with a written Notice of Dispute. Such Notice shall describe in detail the nature of the dispute.
- 9.3 If the dispute has not been resolved within two Business Days after receipt of the Notice, either Party may contact a mutually agreed upon third party dispute resolution service for assistance in resolving the dispute.
- 9.4 The dispute resolution service will assist the Parties in either resolving their dispute or in selecting an appropriate dispute resolution venue (e.g., mediation, settlement judge, early neutral evaluation, or technical expert) to assist the Parties in resolving their dispute.
- 9.5 Each Party agrees to conduct all negotiations in good faith and will be responsible for one-half of any costs paid to neutral third-parties.
- 9.6 If neither Party elects to seek assistance from the dispute resolution service, or if the attempted dispute resolution fails, then either Party may exercise whatever rights and remedies it may have in equity or law consistent with the terms of this Agreement.

Article 10. Taxes

- 10.1 The Parties agree to follow all applicable tax laws and regulations, consistent with FERC policy and Internal Revenue Service requirements.
- 10.2 Each Party shall cooperate with the other to maintain the other Party's tax status. Nothing in this Agreement is intended to adversely affect BHP's tax exempt status with respect to the issuance of bonds including, but not limited to, local furnishing bonds.

Article 11. Miscellaneous

- 11.1 Governing Law, Regulatory Authority, and Rules
The validity, interpretation and enforcement of this Agreement and each of its provisions shall be governed by the laws of the state of South Dakota, without regard to its conflicts of law principles. Each Party expressly reserves the right to



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seek changes in, appeal, or otherwise contest any laws, orders, or regulations of a Governmental Authority.

11.2 Amendment

The Parties may amend this Agreement by a written instrument duly executed by both Parties.

11.3 No Third-Party Beneficiaries

This Agreement is not intended to and does not create rights, remedies, or benefits of any character whatsoever in favor of any persons, corporations, associations, or entities other than the Parties, and the obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest and where permitted, their assigns.

11.4 Waiver

11.4.1 The failure of a Party to this Agreement to insist, on any occasion, upon strict performance of any provision of this Agreement will not be considered a waiver of any obligation, right, or duty of, or imposed upon, such Party.

11.4.2 Any waiver at any time by either Party of its rights with respect to this Agreement shall not be deemed a continuing waiver or a waiver with respect to any other failure to comply with any other obligation, right, duty of this Agreement. Termination or default of this Agreement for any reason by Interconnection Customer shall not constitute a waiver of the Interconnection Customer's legal rights to obtain an interconnection from BHP. Any waiver of this Agreement shall, if requested, be provided in writing.

11.5 Entire Agreement

This Agreement, including all Attachments, constitutes the entire agreement between the Parties with reference to the subject matter hereof, and supersedes all prior and contemporaneous understandings or agreements, oral or written, between the Parties with respect to the subject matter of this Agreement. There are no other agreements, representations, warranties, or covenants which constitute any part of the consideration for, or any condition to, either Party's compliance with its obligations under this Agreement.

11.6 Multiple Counterparts

This Agreement may be executed in two or more counterparts, each of which is deemed an original but all constitute one and the same instrument.

11.7 No Partnership



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This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.

11.8 Severability

If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction or other Governmental Authority, (1) such portion or provision shall be deemed separate and independent, (2) the Parties shall negotiate in good faith to restore insofar as practicable the benefits to each Party that were affected by such ruling, and (3) the remainder of this Agreement shall remain in full force and effect.

11.9 Security Arrangements

Infrastructure security of electric system equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. All public utilities are expected to meet basic standards for system infrastructure and operational security, including physical, operational, and cyber-security practices.



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11.10 Environmental Releases

Each Party shall notify the other Party, first orally and then in writing, of the release of any hazardous substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Small Generating Facility or the Interconnection Facilities, each of which may reasonably be expected to affect the other Party. The notifying Party shall (1) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than 24 hours after such Party becomes aware of the occurrence, and (2) promptly furnish to the other Party copies of any publicly available reports filed with any governmental authorities addressing such events.

11.11 Subcontractors

Nothing in this Agreement shall prevent a Party from utilizing the services of any subcontractor as it deems appropriate to perform its obligations under this Agreement; provided, however, that each Party shall require its subcontractors to comply with all applicable terms and conditions of this Agreement in providing such services and each Party shall remain primarily liable to the other Party for the performance of such subcontractor.

11.11.1 The creation of any subcontract relationship shall not relieve the hiring Party of any of its obligations under this Agreement. The hiring Party shall be fully responsible to the other Party for the acts or omissions of any subcontractor the hiring Party hires as if no subcontract had been made; provided, however, that in no event shall BHP be liable for the actions or inactions of the Interconnection Customer or its subcontractors with respect to obligations of the Interconnection Customer under this Agreement. Any applicable obligation imposed by this Agreement upon the hiring Party shall be equally binding upon, and shall be construed as having application to, any subcontractor of such Party.

11.11.2 The obligations under this article will not be limited in any way by any limitation of subcontractor's insurance.

Article 12. Notices

12.1 General

Unless otherwise provided in this Agreement, any written notice, demand, or request required or authorized in connection with this Agreement ("Notice") shall be deemed properly given if delivered in person, delivered by recognized national courier service, or sent by first class mail, postage prepaid, to the person specified below:



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Rapid City, South Dakota

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If to the Interconnection Customer:

Interconnection Customer: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ Fax: _____

If to BHP:

Black Hills Power, Inc.
Attention: Energy Services Supervisor
PO Box 1400
409 Deadwood Avenue
Rapid City, SD 57709
Phone: (605) 721-3200 Fax: (605) 721-2577

12.2 Billing and Payment

Billings and payments shall be sent to the addresses set out below:

Interconnection Customer: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ Fax: _____

Black Hills Power, Inc.
Attention: Energy Services Supervisor
PO Box 1400
409 Deadwood Avenue
Rapid City, SD 57709
Phone: (605) 721-3200 Fax: (605) 721-2577

12.3 Designated Operating Representative

The Parties may also designate operating representatives to conduct the communications which may be necessary or convenient for the administration of this Agreement. This person will also serve as the point of contact with respect to operations and maintenance of the Party's facilities.

Interconnection Customer's Operating Representative:

Interconnection Customer: _____
Attention: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ Fax: _____



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BHP's Operating Representative:

Black Hills Power, Inc.
James V. Keck
PO Box 1400
409 Deadwood Avenue
Rapid City, SD 57709
Phone: (605) 721-2612 Fax: (605) 721-2577

12.4 Changes to the Notice Information

Either Party may change this information by giving five Business Days written notice prior to the effective date of the change.

Article 13. Signatures

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective duly authorized representatives.

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Date Filed: September 24, 2007

By: Don Martinez
Manager of Tariff Administration
and Rate Design

Effective Date: For service on
and after _____



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BLACK HILLS POWER, INC.

Name: _____

Title: _____

Date: _____

For the Interconnection Customer

Name: _____

Title: _____

Date: _____



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Attachment A to Interconnection Agreement

Glossary of Terms

Affected System – An electric system other than BHP's Distribution System that may be affected by the proposed interconnection.

Applicable Laws and Regulations – All duly promulgated applicable federal, state and local laws, regulations, rules, ordinances, codes, decrees, judgments, directives, or judicial or administrative orders, permits and other duly authorized actions of any Governmental Authority.

Business Day – Monday through Friday, excluding Federal Holidays.

Default – The failure of a breaching Party to cure its breach under the IADGF and applicable interconnection requirements.

Distribution System – BHP's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. The voltage levels at which Distribution Systems operate differ among areas.

Distribution Upgrades – The additions, modifications, and upgrades to BHP's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Small Generating Facility and render the transmission service necessary to effect the Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Good Utility Practice – Any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

Governmental Authority – Any federal, state, local or other governmental regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over the Parties, their respective facilities, or the respective services they provide, and exercising or entitled to exercise any administrative, executive, police, or taxing authority or power; provided, however, that such term does not include the Interconnection Customer, the Interconnection Provider, or any Affiliate thereof.



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Interconnection Customer – Any entity, including BHP, the Distribution Owner or any of the affiliates or subsidiaries of either, that proposes to interconnect its Small Generating Facility with BHP's Distribution System.

Interconnection Facilities – BHP's Interconnection Facilities and the Interconnection Customer's Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Small Generating Facility and the Point of Interconnection, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Small Generating Facility to BHP's Distribution System. Interconnection Facilities are sole use facilities and shall not include Distribution Upgrades.

Interconnection Request – The Interconnection Customer's request, in accordance with the Tariff, to interconnect a new Small Generating Facility, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Small Generating Facility that is interconnected with BHP's Distribution System.

Material Modification – A modification that has a material impact on the cost or timing of any Interconnection Request with a later queue priority date.

Operating Requirements – Any operating and technical requirements that may be required by BHP including those set forth in the IADGF.

Party or Parties – BHP and Interconnection Customer.

Point of Common Coupling – The point where the Interconnection Facilities connect with BHP's Distribution System.

Reasonable Efforts – With respect to an action required to be attempted or taken by a Party under the Small Generator Interconnection Agreement, efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.

Small Generating Facility – The Interconnection Customer's device for the production of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities.

Tariff – BHP's approved tariffs on file with the applicable state regulatory agency.

Upgrades – The required additions and modifications to BHP's Distribution System at or beyond the Point of Interconnection. Upgrades do not include Interconnection Facilities.



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Attachment B to Interconnection Agreement

Description and Costs of the Small Generating Facility, Interconnection Facilities, and Metering Equipment

Equipment, including the Small Generating Facility, Interconnection Facilities, and metering equipment shall be itemized and identified as being owned by the Interconnection Customer or BHP. BHP will provide a best estimate itemized cost, including overheads, of its Interconnection Facilities and metering equipment, and a best estimate itemized cost of the annual operation and maintenance expenses associated with its Interconnection Facilities and metering equipment.



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Attachment C to Interconnection Agreement

One-line Diagram Depicting the Small Generating Facility, Interconnection Facilities, Metering Equipment, and Upgrades

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Date Filed: September 24, 2007

By: Don Martinez
Manager of Tariff Administration
and Rate Design

Effective Date: For service on
and after _____



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Rapid City, South Dakota

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Attachment D to Interconnection Agreement

Additional Operating Requirements for BHP's Distribution System and Affected Systems Needed to Support the Interconnection Customer's Needs

BHP shall also provide requirements that must be met by the Interconnection Customer prior to initiating parallel operation with BHP's Distribution System.



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Attachment E to Interconnection Agreement

Distribution Provider's Description of its Upgrades and Best Estimate of Upgrade Costs

BHP shall describe Upgrades and provide an itemized best estimate of the cost, including overheads, of the Upgrades and annual operation and maintenance expenses associated with such Upgrades.

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Date Filed: September 24, 2007

By: Don Martinez
Manager of Tariff Administration
and Rate Design

Effective Date: For service on
and after _____



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FEASIBILITY STUDY AGREEMENT

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Level 3 Feasibility Study Agreement

THIS AGREEMENT is made and entered into this _____ day of _____, 20__ by and between _____, a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer,") and Black Hills Power, Inc. ("BHP"), a Corporation organized under the laws of the State of South Dakota. Interconnection Customer and BHP each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Small Generating Facility or generating capacity addition to an existing Small Generating Facility consistent with the Interconnection Request completed by Interconnection Customer on _____; and

WHEREAS, Interconnection Customer desires to interconnect the Small Generating Facility with BHP's Distribution System; and

WHEREAS, Interconnection Customer has requested BHP to perform a feasibility study to assess the feasibility of interconnecting the proposed Small Generating Facility with BHP's Distribution System, and of any Affected Systems;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated or the meanings specified in the Interconnection Procedures for Distribution Generation Facilities (IPDGP).
- 2.0 The Interconnection Customer elects and BHP shall cause to be performed an interconnection feasibility study consistent with the Interconnection Procedures for Distribution Generation Facilities (IPDGP).
- 3.0 The scope of the feasibility study shall be subject to the assumptions set forth in Attachment A to this Agreement.
- 4.0 The feasibility study shall be based on the technical information provided by the Interconnection Customer in the Interconnection Request, as may be modified as the result of the scoping meeting. BHP reserves the right to request additional technical information from the Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the feasibility study and as designated in accordance with the Interconnection Procedures for Distribution Generation Facilities (IPDGP). If the Interconnection Customer modifies its Interconnection Request, the time to complete the feasibility study may be extended by agreement of the Parties.



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FEASIBILITY STUDY AGREEMENT

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- 5.0 In performing the study, BHP shall rely, to the extent reasonably practicable, on existing studies of recent vintage. The Interconnection Customer shall not be charged for such existing studies; however, the Interconnection Customer shall be responsible for charges associated with any new study or modifications to existing studies that are reasonably necessary to perform the feasibility study.
- 6.0 The feasibility study report shall provide the following analyses for the purpose of identifying any potential adverse system impacts that would result from the interconnection of the Small Generating Facility as proposed:
 - 6.1 Initial identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
 - 6.2 Initial identification of any thermal overload or voltage limit violations resulting from the interconnection;
 - 6.3 Initial review of grounding requirements and electric system protection; and
 - 6.4 Description and non-bonding estimated cost of facilities required to interconnect the proposed Small Generating Facility and to address the identified short circuit and power flow issues.
- 7.0 The feasibility study shall model the impact of the Small Generating Facility regardless of purpose in order to avoid the further expense and interruption of operation for reexamination of feasibility and impacts if the Interconnection Customer later changes the purpose for which the Small Generating Facility is being installed.
- 8.0 The study shall include the feasibility of any interconnection at a proposed project site where there could be multiple potential Points of Interconnection, as requested by the Interconnection Customer and at the Interconnection Customer's cost.
- 9.0 A deposit of 50 percent of good faith estimated feasibility study costs will be required from the Interconnection Customer.
- 10.0 Once the feasibility study is completed, a feasibility study report shall be prepared and transmitted to the Interconnection Customer. Barring unusual circumstances, the feasibility study must be completed and the feasibility study report transmitted within 30 Business Days of the Interconnection Customer's agreement to conduct a feasibility study.
- 11.0 Any study fees shall be based on BHP's actual costs and will be invoiced to the Interconnection Customer after the study is completed and delivered and will include a summary of professional time.
- 12.0 The Interconnection Customer must pay any study costs that exceed the deposit without interest within 30 calendar days on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, BHP shall refund such excess within 30 calendar days of the invoice without interest.



Black Hills Power, Inc.
Rapid City, South Dakota

SOUTH DAKOTA ELECTRIC RATE BOOK

FEASIBILITY STUDY AGREEMENT

Section No. 6
Original Sheet No. 83

Page 3 of 4

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

[Insert name of Interconnection Customer]

Black Hills Power, Inc

Signed _____

Signed _____

Name (Printed):

Name (Printed):

Title _____

Title _____



Black Hills Power, Inc.
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FEASIBILITY STUDY AGREEMENT

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Attachment A to Feasibility Study Agreement

Assumptions Used in Conducting the Feasibility Study

The feasibility study will be based upon the information set forth in the Interconnection Request and agreed upon in the scoping meeting held on _____:

- 1) Designation of Point of Common Coupling and configuration to be studied.

- 2) Designation of alternative Points of Interconnection and configuration.

1) and 2) are to be completed by the Interconnection Customer. Other assumptions (listed below) are to be provided by the Interconnection Customer and BHP



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SYSTEM IMPACT STUDY AGREEMENT

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Level 3 System Impact Study Agreement

THIS AGREEMENT is made and entered into this ____ day of _____
20__ by and between _____,
a _____ organized and existing under the laws of the State of _____,
("Interconnection Customer,") and
Black Hills Power, Inc. ("BHP"), a Corporation organized under the laws of the State of South
Dakota. Interconnection Customer and BHP each may be referred to as a "Party," or
collectively as the "Parties."

RECITALS

WHEREAS, the Interconnection Customer is proposing to develop a Small Generating Facility
or generating capacity addition to an existing Small Generating Facility consistent with the
Interconnection Request completed by the Interconnection Customer
on _____; and

WHEREAS, the Interconnection Customer desires to interconnect the Small Generating Facility
with BHP's Distribution System;

WHEREAS, BHP has completed a feasibility study and provided the results of said study to the
Interconnection Customer (This recital to be omitted if the Parties have agreed to forego the
feasibility study.); and

WHEREAS, the Interconnection Customer has requested BHP to perform a system impact
study to assess the impact of interconnecting the Small Generating Facility with BHP's
Distribution System, and of any Affected Systems;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein
the Parties agreed as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated or the meanings specified in the Interconnection Procedures for Distribution Generation Facilities (IPDGP).
- 2.0 The Interconnection Customer elects and BHP shall cause to be performed a system impact study(s) consistent with the Interconnection Procedures for Distribution Generation Facilities (IPDGP).
- 3.0 The scope of a system impact study shall be subject to the assumptions set forth in Attachment A to this Agreement.



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SYSTEM IMPACT STUDY AGREEMENT

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- 4.0 A system impact study will be based upon the results of the feasibility study and the technical information provided by Interconnection Customer in the Interconnection Request. BHP reserves the right to request additional technical information from the Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the system impact study. If the Interconnection Customer modifies its designated Point of Common Coupling, Interconnection Request, or the technical information provided therein is modified, the time to complete the system impact study may be extended.
- 5.0 A system impact study may consist of a short circuit analysis, a stability analysis, a power flow analysis, voltage drop and flicker studies, protection and set point coordination studies, and grounding reviews, as necessary. A system impact study shall state the assumptions upon which it is based, state the results of the analyses, and provide the requirement or potential impediments to providing the requested interconnection service, including a preliminary indication of the cost and length of time that would be necessary to correct any problems identified in those analyses and implement the interconnection. A system impact study shall provide a list of facilities that are required as a result of the Interconnection Request and non-binding good faith estimates of cost responsibility and time to construct.
- 6.0 A system impact study may incorporate a load flow study, an analysis of equipment interrupting ratings, protection coordination study, voltage drop and flicker studies, protection and set point coordination studies, grounding reviews, and the impact on electric system operation, as necessary.
- 7.0 Affected Systems may participate in the preparation of a system impact study, with a division of costs among such entities as they may agree. All Affected Systems shall be afforded an opportunity to review and comment upon a system impact study that covers potential adverse system impacts on their electric systems, and BHP has 20 additional Business Days to complete a system impact study requiring review by Affected Systems.
- 8.0 If BHP uses a queuing procedure for sorting or prioritizing projects and their associated cost responsibilities for any required Network Upgrades, the system impact study shall consider all generating facilities (and with respect to paragraph 8.3 below, any identified Upgrades associated with such higher queued interconnection) that, on the date the system impact study is commenced –
 - 8.1 Are directly interconnected with BHP's electric system; or
 - 8.2 Are interconnected with Affected Systems and may have an impact on the proposed interconnection; and
 - 8.3 Have a pending higher queued Interconnection Request to interconnect with BHP's electric system.



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SYSTEM IMPACT STUDY AGREEMENT

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- 9.0 A system impact study, if required, shall be completed and the results transmitted to the Interconnection Customer within 45 Business Days after this Agreement is signed by the Parties. A system impact study, if required, shall be completed and the results transmitted to the Interconnection Customer within 45 Business Days after this Agreement is signed by the Parties, or in accordance with BHP's queuing procedures.
- 10.0 A deposit of 50 percent of the good faith estimated cost of a system impact study will be required from the Interconnection Customer.
- 11.0 Any study fees shall be based on BHP's actual costs and will be invoiced to the Interconnection Customer after the study is completed and delivered and will include a summary of professional time.
- 12.0 The Interconnection Customer must pay any study costs that exceed the deposit without interest within 30 calendar days on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, BHP shall refund such excess within 30 calendar days of the invoice without interest.

IN WITNESS THEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

[Insert name of Interconnection Customer]

Black Hills Power, Inc.

Signed _____

Signed _____

Name (Printed):

Name (Printed):

Title _____

Title _____



Black Hills Power, Inc.
Rapid City, South Dakota

SOUTH DAKOTA ELECTRIC RATE BOOK

SYSTEM IMPACT STUDY AGREEMENT

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Attachment A to System Impact Study Agreement

Assumptions Used in Conducting the System Impact Study

The system impact study shall be based upon the results of the feasibility study, subject to any modifications in accordance with the Interconnection Procedures for Distribution Generation Facilities (IPDGP), and the following assumptions:

- 1) Designation of Point of Common Coupling and configuration to be studied.

- 2) Designation of alternative Points of Interconnection and configuration.

1) and 2) are to be completed by the Interconnection Customer. Other assumptions (listed below) are to be provided by the Interconnection Customer and BHP.



Black Hills Power, Inc.
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SOUTH DAKOTA ELECTRIC RATE BOOK

FACILITIES STUDY AGREEMENT

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Level 3 Facilities Study Agreement

THIS AGREEMENT is made and entered into this ____ day of _____, 20__ by and between _____, a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer,") and Black Hills Power, Inc. ("BHP"), a Corporation organized under the laws of the State of South Dakota. Interconnection Customer and BHP each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, the Interconnection Customer is proposing to develop a Small Generating Facility or generating capacity addition to an existing Small Generating Facility consistent with the Interconnection Request completed by the Interconnection Customer on _____; and

WHEREAS, the Interconnection Customer desires to interconnect the Small Generating Facility with BHP's Distribution System;

WHEREAS, BHP has completed a system impact study and provided the results of said study to the Interconnection Customer; and

WHEREAS, the Interconnection Customer has requested BHP to perform a facilities study to specify and estimate the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the system impact study in accordance with Good Utility Practice to physically and electrically connect the Small Generating Facility with BHP's Distribution System.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated or the meanings specified in the Interconnection Procedures for Distribution Generation Facilities (IPDGP).
- 2.0 The Interconnection Customer elects and BHP shall cause a facilities study consistent with the Interconnection Procedures for Distribution Generation Facilities (IPDGP).
- 3.0 The scope of the facilities study shall be subject to data provided in Attachment A to this Agreement.



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FACILITIES STUDY AGREEMENT

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- 4.0 The facilities study shall specify and estimate the cost of the equipment, engineering, procurement and construction work (including overheads) needed to implement the conclusions of the system impact study(s). The facilities study shall also identify (1) the electrical switching configuration of the equipment, including, without limitation, transformer, switchgear, meters, and other station equipment, (2) the nature and estimated cost of BHP's Interconnection Facilities and Upgrades necessary to accomplish the interconnection, and (3) an estimate of the time required to complete the construction and installation of such facilities.
- 5.0 BHP may propose to group facilities required for more than one Interconnection Customer in order to minimize facilities costs through economies of scale, but any Interconnection Customer may require the installation of facilities required for its own Small Generating Facility if it is willing to pay the costs of those facilities.
- 6.0 A deposit of the good faith estimated facilities study costs may be required from the Interconnection Customer.
- 7.0 In cases where Upgrades are required, the facilities study must be completed within 45 Business Days of the receipt of this Agreement. In cases where no Upgrades are necessary, and the required facilities are limited to Interconnection Facilities, the facilities study must be completed within 30 Business Days.
- 8.0 Once the facilities study is completed, a facilities study report shall be prepared and transmitted to the Interconnection Customer. Barring unusual circumstances, the facilities study must be completed and the facilities study report transmitted within 30 Business Days of the Interconnection Customer's agreement to conduct a facilities study.
- 9.0 Any study fees shall be based on BHP's actual costs and will be invoiced to the Interconnection Customer after the study is completed and delivered and will include a summary of professional time.
- 10.0 The Interconnection Customer must pay any study costs that exceed the deposit without interest within 30 calendar days on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, BHP shall refund such excess within 30 calendar days of the invoice without interest.



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SOUTH DAKOTA ELECTRIC RATE BOOK

FACILITIES STUDY AGREEMENT

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IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

[Insert name of Interconnection Customer]

Black Hills Power, Inc

Signed _____

Signed _____

Name (Printed):

Name (Printed):

Title _____

Title _____



SOUTH DAKOTA ELECTRIC RATE BOOK

FACILITIES STUDY AGREEMENT

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**Attachment A to
Facilities Study Agreement**

**Data to Be Provided by the Interconnection Customer
with the Facilities Study Agreement**

Provide location plan and simplified one-line diagram of the plant and station facilities. For staged projects, please indicate future generation, transmission circuits, etc.

On the one-line diagram, indicate the generation capacity attached at each metering location. (Maximum load on CT/PT)

On the one-line diagram, indicate the location of auxiliary power. (Minimum load on CT/PT) Amps

One set of metering is required for each generation connection to the new ring bus or existing station. Number of generation connections: _____

Will an alternate source of auxiliary power be available during CT/PT maintenance?
Yes ____ No ____

Will a transfer bus on the generation side of the metering require that each meter set be designed for the total plant generation? Yes ____ No ____
(Please indicate on the one-line diagram).

What type of control system or PLC will be located at the Small Generating Facility?

What protocol does the control system or PLC use?

Please provide a 7.5-minute quadrangle map of the site. Indicate the plant, station, distribution line, and property lines.

Physical dimensions of the proposed interconnection station:

Bus length from generation to interconnection station:



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Line length from interconnection station to BHP's Transmission System.

Tower number observed in the field. (Painted on tower leg)*:

Number of third party easements required for distribution lines*:

* To be completed in coordination with BHP.

Please provide the following proposed schedule dates:

Begin Construction Date: _____

Generator step-up transformers receive back feed power Date: _____

Generation Testing Date: _____

Commercial Operation Date: _____



Black Hills Power, Inc.
Rapid City, South Dakota

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POINT OF CONTACT

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Black Hills Power Point of Contact

James V. Keck
Supervisor
Energy Services
P.O. Box 1400
Rapid City, SD 57709
Phone Number: 605-721-2612
Fax Number: 605-721-2577

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Date Filed: September 24, 2007

By: Don Martinez
Manager of Tariff Administration
and Rate Design

Effective Date: For service on
and after _____