

Shared Facilities Agreement

This Shared Facilities Agreement (this "Agreement") is entered into as of August 15, 2009, by and among Black Hills Power, Inc., a South Dakota corporation ("BHP"), Black Hills Wyoming, LLC, a Wyoming limited liability company ("BHW") and Cheyenne Light, Fuel and Power Company, a Wyoming corporation ("CLFP"). BHP, BHW and CLFP may also be referred to herein individually as "Owner" or "Party" or collectively as "Owners" or "Parties."

1.0 RECITALS

This Agreement is made with reference to the following facts, among others:

- 1.1. BHW owns a 76.5% interest in a coal fired electric generating facility known as Wygen 1 ("Wygen 1") having a nameplate generating capacity of 90 MW. The Municipal Energy Agency of Nebraska ("MEAN") owns the remaining 23.5% interest of Wygen 1. Under an agreement with MEAN, it is BHW's responsibility to arrange for the operation and maintenance of Wygen 1.
- 1.2. BHW also owns a combustion gas turbine known as CT 2 ("CT 2") having a nameplate generating capacity of 40 MW.
- 1.3. CLFP owns a 100% interest in a coal fired electric generating facility known as Wygen 2 ("Wygen 2") having a nameplate generating capacity of 95 MW.
- 1.4. BHP owns a 100% interest in two coal fired electric generating facilities known as Neil Simpson 1 ("NS 1") and Neil Simpson 2 ("NS 2") having a nameplate generating capacity of 21.8 MW and 90 MW respectively, and a combustion gas turbine known as CT 1 ("CT 1") having a nameplate generating capacity of 40 MW.
- 1.5. BHP also owns a 75% interest in a coal fired electric generating facility known as Wygen 3 ("Wygen 3") having a nameplate generating capacity of 110 MW. Montana-Dakota Utilities Co. ("MDU") owns the remaining 25% interest of Wygen 3. Under an agreement with MDU, it is BHP's responsibility to operate and maintain Wygen 3.
- 1.6. Wygen 1, Wygen 2, Wygen 3, NS 1, NS 2, CT 1 and CT 2 (each may be referred to herein as a "Plant" or collectively referred to as the "Plants") are all located near Gillette, Wyoming on what is commonly known as the "Neil Simpson Complex."
- 1.7. The Parties agree that (a) certain capital assets located at the Neil Simpson Complex and owned by one of the Parties (the "Shared Capital Assets") may be used to support the operations of one or more of the Plants not directly owned by the Party owning the Shared Capital Asset, and (b) the Owners shall pay a fee as consideration for the benefit from its use of the Shared Capital Assets that it does not directly own plus its share of the operations and maintenance costs and expenses associated with the Shared Capital Assets (the "Shared Capital Asset Fee").



2.0 DEFINED TERMS

The following terms, when used herein, have the meaning specified below:

- 2.1 "Affiliate" means, with respect to a specified person, another person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, the specified person.
- 2.2 "Facility" means those Shared Capital Assets that are not associated with the delivery of a commodity, such as fuel, water, chemicals, or air.
- 2.3 "Losses" means any and all liabilities, taxes, losses, obligations, claims, damages, penalties, causes of action, suits, costs and expenses or judgments of any nature (including attorneys' fees).
- 2.4 "Neil Simpson Complex" means, at any given time and considered collectively, the electric generating facilities and ancillary equipment, facilities and properties (including coal storage and handling equipment, ash disposal facilities, water wells, and parts and inventory storage facilities) in or near Gillette, Wyoming and owned or leased in whole or in part at that time by an Owner, or an Owner's Affiliate, but not including the Wyodak Mine.
- 2.5 "Operator" means the agent appointed by the Owners for the purposes of operating, maintaining, and managing the Shared Capital Assets, and administering the Agreement.
- 2.6 "Prudent Utility Practice" means those practices, methods and acts which (a) when engaged in are commonly used in prudent engineering and operations to operate electric equipment and associated mechanical and civil facilities lawfully and with safety, reliability, efficiency and expedition or (b) in the exercise of reasonable judgment considering the facts known when engaged in, could have been expected to achieve the desired result consistent with applicable law, safety, reliability, efficiency and expedition. Prudent Utility Practice is not limited to the optimum practiced method or act, but rather a spectrum of possible practices, methods or acts.
- 2.7 "Shared Capital Assets" means capital assets that are used, or that will be used, to support more than one Plant at the Neil Simpson Complex.

3.0 SHARED CAPITAL ASSETS

As of the date hereof, the Shared Capital Assets comprise the assets set forth on Exhibit A attached hereto. On or before December 10 of each year, BHP will deliver to the Owners an updated version of Exhibit A with a then-current list of the Shared Capital Assets. In addition to identifying the Shared Capital Assets, Exhibit A, as updated by the Operator, shall identify (i) the Plants benefiting from each Shared Capital Asset, (ii) the book value (including AFUDC, as applicable) of each Shared Capital Asset, (iii) the Owner and in-service date of each Shared Capital Asset, and (iv) the nameplate capacity of each Plant.

With respect to the Shared Capital Assets, Exhibit A, as updated by Operator, shall classify each Shared Capital Asset in one of the following categories: a) Facilities; b) Fuel Handling; c) Water Systems; d) Chemical Systems; or e) Air Systems.

4.0 STATEMENT OF INTENT

The Owners hereby express their mutual intent and expectation that the Shared Capital Assets will be used by the Owners to support the operation of the Plants at the Neil Simpson Complex. Each Owner therefore grants reciprocal rights to the other Owners to use the Shared Capital Assets for the benefit of the Plants, in accordance with the terms of this Agreement.

5.0 PAYMENTS

5.1. The Owners' obligations with respect to the payment of the Shared Capital Asset Fees, and the Operator's obligations with respect to distributing the Shared Capital Assets Fees are set forth in Exhibit B. Operator shall invoice Owners for the Shared Capital Assets Fee on a quarterly basis. The invoice shall be due and payable within thirty (30) days following receipt of the invoice. The first time period for which the Shared Capital Assets Fee shall be payable is the first quarter (January through March) of 2010.

5.2. Each Owner hereby agrees that it will make all payments and perform all other obligations by it to be made or performed pursuant to all of the terms, covenants and conditions contained in this agreement.

6.0 OPERATOR

6.1. Appointment of Operator. The Owners appoint BHP as Operator for the purposes of operating, maintaining, and managing the Shared Capital Assets, and administering the Shared Facilities Agreement. The Owners shall provide Operator access to the Plants and the Shared Capital Assets for the performance of its obligations under this Agreement.

6.2. Responsibility for Shared Capital Assets; Standards of Conduct. The Operator will be responsible for the operation of all Shared Capital Assets, including all decisions of any nature whatsoever regarding the Shared Capital Assets, including with respect to maintenance, repairs, additions, replacements, retirements, engineering, design, planning, permitting, licensing, testing, commissioning, and reconstruction after casualty events. In connection therewith, Operator will:

- (a) Ensure that such operations activities are conducted, and that such decisions are made, (i) in good faith, (ii) in accordance with applicable laws, orders, and permits, and (iii) in accordance with Prudent Utility Practice;
- (b) Consult with and consider in good faith any comments from the Owners prior to making any material change with respect to any Shared Capital Asset; and
- (c) Not make or allow to be made any adverse distinction between any Plant at the Neil Simpson Complex with respect to the use and availability of the Shared Capital Assets.

6.3. Apportionment of Impaired Shared Capital Assets. In the event of a reduction in the capacity or availability of any Shared Capital Asset to serve, at a level consistent with past practice, the Plants served by such Shared Capital Asset at the Neil Simpson Complex, the Operator will ensure either (i) that the reduced capacity or availability, if any, of the impaired Shared Capital Asset will be apportioned between the affected Plants in a manner consistent with the apportionment of such Shared Capital Asset prior to the reduction or (ii) that arrangements are made such that the function that otherwise would have been provided by the impaired Shared Capital Asset under clause (i) above is provided to the affected Plants in a manner that at the time would not reasonably be expected to be less reliable or, more costly to Owners.

6.4. Recordkeeping. The Operator will ensure that documents and records are kept with respect to the Shared Capital Assets (the "SCA Records") as necessary to (i) identify the Shared Capital Assets, (ii) determine the allocation of the Shared Capital Assets between the Plants at the Neil Simpson Complex, and (iii) calculate the Shared Capital Assets Fee. The Operator will ensure that the SCA Records are kept and maintained in accordance with applicable Law. Furthermore, at the written request of an Owner and at the Owner's cost, the Operator will ensure that any SCA Records reasonably relating to any dispute involving the Owner are retained until the dispute is resolved. An Owner may, at its cost, during normal business hours, and following reasonable advance written notice to the Operator of not less than five business days, inspect the SCA Records.

6.5. Liability of Operator. The failure of Operator to meet any obligation under the Agreement shall in no event subject Operator to any claims by or liabilities to Owners other than to reperform the services and be compensated for the cost of reperforming such services.

6.6. Indemnification of Operator. The Owners shall defend, indemnify and hold harmless Operator, its agents and employees from all Losses, on account of, or resulting from the performance of any services performed on behalf of Operator pursuant to this Agreement, whether or not the same results or allegedly results from the claimed or actual negligence or breach of warranty of, or willful misconduct by Operator or any of its employees, agents, clients, or contractors.

6.7. Compensation of Operator. Operator shall be reimbursed for all direct and indirect costs associated with performing its obligations under this Agreement.

7.0 OWNER COVENENTS, RIGHTS, AND RESPONSIBILITES

7.1. Availability. Each Owner hereby covenants that, for so long as it or any of its Affiliates owns a controlling interest in any material Shared Capital Asset, neither it nor any of its Affiliates will take any action (including by granting any right to use such Shared Capital Asset) with the intent to cause, and that causes, such Shared Capital Asset to be unavailable for the continued benefit of a Plant, consistent with past practice with respect to the Plants, unless such Owner (a) obtains the prior written consent of the other Owners, which agree not to withhold their consent unreasonably, or (b) replaces, on commercially reasonable terms, the function provided by such Shared Capital Asset in respect of the affected Plant(s) (and provided that the costs reasonably expected to be borne by the Owners following such replacement, compared to the costs reasonably expected to be borne by the Owner if such replacement were not to occur, shall be a factor in determining the commercial reasonableness of such terms). However, the covenants in this Section 7.1 shall not apply to (x) maintenance, repair, or other operating activities, actions, or decisions of Operator with respect to such Shared Capital Asset, if undertaken or made in accordance Prudent

Utility Practice, including any decision to retire, replace, or temporarily or permanently shut down such Shared Capital Asset, or (y) any activities, actions, or decisions required by an applicable law, order, or permit.

7.2. Transfer Restrictions. Each Owner hereby covenants that it will not, and that it will not permit any of its Affiliates to, directly or indirectly transfer (including by operation of law or by the transfer of an Affiliate's stock or other equity interests) a controlling interest in any material Shared Capital Asset to any non-Affiliate of such Owner, unless (a) the transferring Owner or one of its Affiliates obtains the prior written consent of the Owners, which agree not to withhold their consent unreasonably, or (b) the transferring Owner either (i) obtains, on commercially reasonable terms, a binding commitment from the non-Affiliate to make such Shared Capital Asset available for the continued benefit of the Plants or (ii) otherwise replaces, on commercially reasonable terms, the function provided by such Shared Capital Asset in respect of the Facility. For purposes of this Section 7.2, the costs reasonably expected to be borne by the Owners following such transfer or replacement, compared to the costs reasonably expected to be borne by the Owners if such transfer or replacement were not to occur, shall be a factor in determining commercial reasonableness of the terms of such commitment or replacement.

7.3. Inspection Right. The Owners will have the right, exercisable from time to time after providing reasonable advance notice to the Operator, and without unreasonably interrupting or interfering with activities at the Neil Simpson Complex, to meet with Operator and inspect the Shared Capital Assets. In exercising this right, the Owners will cause its representatives to comply with all safety, security, and other rules, regulations, and policies applicable to personnel at the Neil Simpson Complex.

7.4 Repair Costs, Maintenance Expenses, and Losses. With respect to all Shared Capital Assets, other than Facilities, allocation of responsibility for repair costs, maintenance expenses, and Losses shall be in accordance with each Owner's usage of the Shared Capital Asset, as determined by the Owner's average annual consumption of commodities associated with the Shared Capital Asset, over the preceding twenty four (24) months, in proportion to the average consumption of all other Owners. With respect to Facilities allocation, of responsibility for repair costs, maintenance expenses, and Losses shall be in accordance with that portion of the Shared Capital Asset attributable to the operations of each Owner's Plant(s), as reasonably estimated or determined by the Operator, based upon the nameplate capacity of each Plant benefitting from the Shared Capital Asset, in proportion to all Plants benefitting from the Shared Capital Asset.

8.0 TERM

This Agreement shall commence on the date first set forth above and continue in effect (the "Term"), unless amended or otherwise terminated sooner by either party upon three hundred sixty five (365) days notice.

9.0 RISK OF LOSS; REMEDIES

9.1. No Special or Indirect Damages. Notwithstanding anything to the contrary herein, no Party (including Operator) will be liable to another Party (including Operator) under this Agreement for consequential, special, exemplary, or indirect damages, including loss of profit, cost of capital, loss of goodwill, loss of revenues from the sale of capacity or energy, or increased

operating costs, irrespective of whether such damages were reasonably foreseeable or caused by the negligence of any party.

9.2. Specific Performance. The Parties each acknowledge and agree that in the event of a breach of this Agreement, the non-breaching Party may be irreparably harmed and may not be made whole by monetary damages. It is accordingly agreed that, in addition to the other remedies available under this Agreement or to which a Party may be entitled to at law or in equity, the Parties shall be entitled to compel specific performance of this Agreement.

10.0 REPRESENTATIONS AND WARRANTIES

On the date first herein mentioned, each Party represents and warrants to the other Parties that: (i) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation; (ii) it has all regulatory approval necessary for it to legally perform its obligations under this Agreement; (iii) the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it; (iv) this Agreement constitutes its legally valid and binding obligations enforceable against it in accordance with the respective terms (subject to applicable bankruptcy, reorganization, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application regardless of whether enforcement is sought in a proceeding in equity or at law); and (v) there is not pending or, to its knowledge, threatened against it or any of its Affiliates any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement.

11.0 MISCELLANEOUS

11.1. Execution in Counterparts; Electronic Delivery. This Agreement may be executed by the Parties on separate counterparts, each of which when so executed and delivered will be an original, but which together will constitute but one and the same instrument. This Agreement may be delivered by the facsimile or other electronic transmission of signed signature pages.

11.2. Section Headings. The Article and Section headings in this Agreement are for convenience of reference only and shall not be utilized in construing or interpreting this Agreement.

11.3. Construction. This Agreement will be construed as the joint and equal work product of each Party and will not be construed more or less favorably on account of its preparation or drafting. In this Agreement, (a) the word "including" means "including without limitation" and (b) words such as "herein," "hereof," "hereby," and "hereunder" refer to this Agreement as a whole and not to any particular section or subsection. The words "year," "month," and "day," refer to a calendar year, calendar month, and calendar day, respectively, unless otherwise specified.

11.4. Entire Agreement; Amendments. This Agreement constitutes the entire agreement between the Parties relating to the subject matter hereof, shall not be modified except by a written instrument signed by all Parties, and supersedes and replaces those provisions of all prior agreements and understandings, oral or written, to the extent relating to the Shared Capital Assets.

11.5. Waivers. Any waiver by any Party of any violation of, breach of, or default by the another Party under any provision of this Agreement, or any exhibit, schedule, or other document referred to in this Agreement, will not be construed as or constitute a waiver of any subsequent violation, breach of, or default under that provision or any violation, breach of, or default under any other provision of this Agreement or any other document referred to in this Agreement.

11.6. No Joint Venture. The Parties hereto shall in no event be construed or considered as joint venturers or partners.

11.7. Governing Law. This Agreement is subject to the applicable Laws of the state of Wyoming, without regard to conflicts of law principles.

11.9. Assignment. No Party may assign its rights or obligations under this Agreement without the prior written consent of the other Parties.

11.10. Successors and Assigns. This Agreement and all terms and provisions hereof shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and permitted assigns.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first above written.

*OK
8/4/09
S. Carter*

Black Hills Power, Inc.

M L Lux
Name: Mark L Lux
Title: VP + GM Power Delivery

Black Hills Wyoming, LLC

M L Lux
Name: Mark L Lux
Title: VP + GM Power Delivery

Cheyenne Light, Fuel and Power Company

M L Lux
Name: Mark L Lux
Title: VP + GM Power Delivery

Exhibit A

Shared Capital Assets

Black Hills Companies
Shared Capital Assets & Distribution List

486.8

Plants	21.8	90	90	95	110	40	40
	NS1	NS2	WY1	WY2	WY3	CT1	CT2
Ownership							
Black Hills Wyoming - WyGen1/CT2 MEAN - 23.5% WyGen1			X				X
Black Hills Power - NS1/NS2/WyGen3/CT1 MDU - 25% WyGen3	X	X			X	X	
Cheyenne Light Fuel & Power - WyGen2				X			

Facilities	Pool 1 - all	Pool 2 - NS2& Wy1	Pool 3 - Wy2 & Wy3	Pool 4 - Wy1 only	
		\$ 876,787.53	\$ 52,370.44	\$ 111,987.65	\$ -
Fuel Handling	-	537,145.23	1,551,142.13	-	2,088,287.36
Water Systems	482,529.78	-	89,673.00	-	572,202.78
Chemical Systems	-	169,277.76	338,063.18	-	507,340.94
Air Systems	-	73,642.21	102,312.38	-	175,954.59
	<u>\$ 1,359,317.32</u>	<u>\$ 832,435.64</u>	<u>\$ 2,193,178.34</u>	<u>\$ -</u>	<u>\$ 4,384,931.29</u>

	21.8	90	90	95	110	40	40	486.8
Pool 1		90	90	95	110	40	40	486.8
Pool 2		90	90					180
Pool 3				95	110			205

Billing by Facility Usage and Unit

	NS1	NS2	WY1	WY2	WY3	CT1	CT2
Pool 1	\$ 1,359,317.32	\$ 60,873.29	\$ 251,311.75	\$ 251,311.75	\$ 265,273.51	\$ 307,158.80	\$ 111,694.11
Pool 2 - NS2 & Wy1	\$ 832,435.64	\$ 416,217.82	\$ 416,217.82				
Pool 3 - Wy2 & Wy3	\$ 2,193,178.34			\$ 1,016,350.94	\$ 1,176,827.40		
	<u>\$ 60,873.29</u>	<u>\$ 667,529.57</u>	<u>\$ 667,529.57</u>	<u>\$ 1,281,624.45</u>	<u>\$ 1,483,986.20</u>	<u>\$ 111,694.11</u>	<u>\$ 111,694.11</u>
							<u>\$ 4,384,931.29</u>

Revenue Allocation Between Entities

	Black Hills				Amount Due by Entity			
	Power	Wyoming	Cheyenne Light Fuel & Power	Totals	Black Hills Power	Black Hills Wyoming	Cheyenne Light Fuel & Power	Totals
Pool 1	\$ 1,158,052.04	\$ 73,767.16	\$ 127,498.11	\$ 1,359,317.32	\$ 731,037.95	\$ 363,005.86	\$ 265,273.51	\$ 1,359,317.32
Pool 2 - NS2 & Wy1	832,435.64	-	-	\$ 832,435.64	\$ 416,217.82	\$ 416,217.82	\$ -	\$ 832,435.64
Pool 3 - Wy2 & Wy3	253,124.52	-	1,940,053.82	\$ 2,193,178.34	<u>\$ 1,016,350.94</u>	<u>\$ -</u>	<u>\$ 1,176,827.40</u>	<u>\$ 2,193,178.34</u>
	<u>\$ 2,243,612.20</u>	<u>\$ 73,767.16</u>	<u>\$ 2,067,551.93</u>	<u>\$ 4,384,931.29</u>	<u>\$ 2,163,606.71</u>	<u>\$ 779,223.68</u>	<u>\$ 1,442,100.91</u>	<u>\$ 4,384,931.29</u>

Black Hills Companies
Shared Capital Assets & Distributions List

Plant	22 90 90 95 119 49 50						
	NS1	NS2	WY1	WY2	WCG	CT1	CT2
Black Hills Wyoming - WyGen/CT2 MEAN - 23.5% WyGen1			X				X
Black Hills Power - NS1/NS2/WyGen3/CT1 MDU - 25% WyGen2	X	X			X	X	
Cheyenne Light Fuel & Power - WyGen2				X			

Facilities	Annual Asset	Pool 1 - all	Pod 2 - NS2X Wy1	Pool 3 - Wy2 & Wy3	Pool 1 Allocation of Revenue			Pool 2 Allocation of Revenue			Pool 3 Allocation of Revenue			
					Black Hills Power	Black Hills Wyoming	Cheyenne Light Fuel & Power	Black Hills Power	Black Hills Wyoming	Cheyenne Light Fuel & Power	Black Hills Power	Black Hills Wyoming	Cheyenne Light Fuel & Power	
TEAM ASSET MANAGEMENT SYSTEM	168,799.54	\$ 108,799.54			\$ 108,799.54	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NEW ADMINISTRATION BUILDING @NS2	157,875.00	\$ 157,875.00			\$ 157,875.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ADMINISTRATION BUILDING @ NS2	231,404.73	\$ 231,404.73			\$ 231,404.73	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ADMINISTRATION BUILDING @ WY2	123,169.01	\$ 123,169.01			\$ -	\$ -	\$ 123,169.01	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ADMINISTRATION WAREHOUSE BUILDING @NS2	28,683.45	\$ 28,683.45			\$ 28,683.45	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
MODIFICATION OF CONFERENCE ROOM NS1 ADMIN BLDG	149.21	\$ 149.21			\$ 149.21	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
OFFICE REMODEL-FLOORING, BASE TRIM, WINDOWS, WALLS	2,884.10	\$ 2,884.10			\$ 2,884.10	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
125X60' WAREHOUSE-ADDN INCLUDING CONCRETE, FOUNDATION AND FLOOR, BLDG PKG	19,168.13	\$ 19,168.13			\$ 19,168.13	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ELECTRICAL LIGHTING-WAREHOUSE-ADDN	4,784.55	\$ 4,784.55			\$ 4,784.55	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
HVAC-CONTROL ROOM AND LUNCH ROOM EXHAUST-FANS AND CONTROL ROOM AC	1,337.64	\$ 1,337.64			\$ 1,337.64	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
OFFICE AREA CONSTRUCTION	6,019.95	\$ 6,019.95			\$ 6,019.95	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
INTERIOR OFFICE ADDITIONS-DARK OAK DOOR-HARDWARE	1,414.86	\$ 1,414.86			\$ 1,414.86	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CONTROL BUILDING HVAC SYSTEM	2,417.31	\$ -		2,417.31	\$ -	\$ -	\$ -	\$ 2,417.31	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
MTC SHOP BSA-JOHN E	3,538.24	\$ 3,538.24			\$ 3,538.24	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ADMINISTRATION BUILDING FIRE PROTECTION(S7G4, S7G5, S7G6)	7,055.59	\$ 7,055.59			\$ 7,055.59	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NS1 WAREHOUSE FIRE PROTECTION SYSTEM	2,079.26	\$ 2,079.26			\$ 2,079.26	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FIRE PROTECTION SYSTEM ADMIN WAREHOUSE	2,049.12	\$ 2,049.12			\$ 2,049.12	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FIRE PUMP FC 333A-401.4	3,543.98	\$ 3,543.98			\$ 3,543.98	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CDAL CONVEYING SYSTEM FIRE PROTECTION CONTROL PANEL FIRE PROTECTION SYSTEM	26,073.73	\$ 26,073.73			\$ 26,073.73	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DIESEL FIRE PUMP CWSE P1	14,111.19	\$ -		14,111.19	\$ -	\$ -	\$ -	\$ 14,111.19	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
MOTOR DRIVEN FIRE PUMP CWSE P2	21,954.11	\$ 21,954.11			\$ 21,954.11	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PRESSURE MAINTENANCE PUMP P3	10,977.05	\$ 10,977.05			\$ 10,977.05	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CATHODIC PROTECTION	3,859.02	\$ 3,859.02			\$ 3,859.02	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LIFT STATION 1	14,881.03	\$ 14,881.03			\$ 14,881.03	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LIFT STATION 2	2,991.25	\$ 2,991.25			\$ 2,991.25	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
STORM POND-DRAINAGE SITE	14,433.07	\$ 14,433.07			\$ 14,433.07	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
35 TON TURBINE CRANE AND CONTROLS NS 27/WY 1	35,841.94	\$ -		35,841.94	\$ -	\$ -	\$ -	\$ -	\$ 35,841.94	\$ -	\$ -	\$ -	\$ -	\$ -
30 TON TURBINE CRANE AND CONTROLS WY23	85,464.65	\$ -			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	85,464.65
TURBINE CRANE W0#13121	26,523.00	\$ -			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	26,523.00
SIMULATOR/TRAINING W0#6496	74,870.64	\$ 74,870.64			\$ 74,870.64	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 938,751.98	\$ 876,767.53	\$ 52,370.44	\$ 111,867.65	\$ 1,041,145.62	\$ 738,185.45	\$ 14,433.07	\$ 123,169.01	\$ 52,370.44	\$ -	\$ -	\$ 26,523.00	\$ -	\$ 65,464.65

**Black Hills Companies
Shared Capital Assets & Distribution List**

Plants	NS1	NS2	WY1	WY2	WY3	CT1	CT2
Ownership							
Black Hills Wyoming - WyGen1/CT2 MEAN - 23.5% WyGen1			X				X
Black Hills Power - NS1/NS2/WyGen3/CT1 MDU - 25% WyGen3	X	X			X	X	
Cheyenne Light Fuel & Power - WyGen2				X			

Fuel Handling

			Pool 1 - all	Pool 2 - NS2& WY1	Pool 3 - WY2 & WY3	Pool 2 Allocation of Revenue			Pool 3 Allocation of Revenue		
	Annual Asset Fee					Black Hills Power	Black Hills Wyoming	Cheyenne Light Fuel & Power	Black Hills Power	Black Hills Wyoming	Cheyenne Light Fuel & Power
COAL CONVEYING SYSTEM #2 TRAMP METAL DETECTOR MODEL 30-200	\$ 2,428.11	X X		2,428.11		\$ 2,428.11	\$ -	\$ -	\$ -	\$ -	\$ -
54" SILO TRANSFER CONVEYOR #1	\$ 72,862.80	X X		72,862.80		\$ 72,862.80	\$ -	\$ -	\$ -	\$ -	\$ -
48" BELT FEEDER & 30" PLANT FEED #2	\$ 215,989.20	X X		215,989.20		\$ 215,989.20	\$ -	\$ -	\$ -	\$ -	\$ -
CONCRETE COAL SILO	\$ 242,596.26	X X		242,596.26		\$ 242,596.26	\$ -	\$ -	\$ -	\$ -	\$ -
COAL CONVEYOR HEAD PULLEY BSA-HOI-7	\$ 3,268.87	X X		3,268.87		\$ 3,268.87	\$ -	\$ -	\$ -	\$ -	\$ -
COAL CONVEYING SYSTEM	\$ 1,551,142.13	X X			1,551,142.13	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,551,142.13
	\$ 2,088,287.36			537,145.23	1,551,142.13	2,088,287.36	537,145.23	-	-	-	1,551,142.13

Black Hills Companies
Shared Capital Assets & Distribution List

Plants	NS1	NS2	WY1	WY2	WY3	CT1	CT2
Chemical							
Black Hills Wyoming - WyGen1/CT2 MEAN - 23.5% WyGen1			X				X
Black Hills Power - NS1/NS2/WyGen3/CT1 MDU - 25% WyGen3	X	X			X	X	
Cheyenne Light Fuel & Power - WyGen2				X			

Chemical Systems

Annual Asset Fee	Pool Allocation				Pool 2 Allocation of Revenue			Pool 3 Allocation of Revenue		
	Pool 1 - all	Pool 2 - NS2& WY1	Pool 3 - WY2 & WY3	Pool 4 - WY1 only	Black Hills Power	Black Hills Wyoming	Cheyenne Light Fuel & Power	Black Hills Power	Black Hills Wyoming	Cheyenne Light Fuel & Power
PHOSPHATE SOLUTION PUMP 2PWE-P-1A		X	X		\$ 1,563.26	\$ -	\$ -	\$ -	\$ -	\$ -
PHOSPHATE SOLUTION PUMP 2PWE-P-1B		X	X		\$ 1,563.26	\$ -	\$ -	\$ -	\$ -	\$ -
OXYGEN SCAVENGER SOL 2PWE-P-2A		X	X		\$ 1,563.26	\$ -	\$ -	\$ -	\$ -	\$ -
OXYGEN SCAVENGER SOL 2PWE-P-2B		X	X		\$ 1,563.26	\$ -	\$ -	\$ -	\$ -	\$ -
SOLUTION FEED PUMPS 2PWE-P-3A		X	X		\$ 1,563.26	\$ -	\$ -	\$ -	\$ -	\$ -
SOLUTION FEED PUMPS 2PWE-P-3B		X	X		\$ 1,563.26	\$ -	\$ -	\$ -	\$ -	\$ -
PHOSPHATE SOLUTION PUMP 2PWE-P-1C		X	X		\$ 1,563.26	\$ -	\$ -	\$ -	\$ -	\$ -
AUXILIARY BOILER FEED CHEMICAL FEED TANK		X	X		\$ 223.32	\$ -	\$ -	\$ -	\$ -	\$ -
WATER QUALITY CONTROL PANEL		X	X		\$ 4,238.94	\$ -	\$ -	\$ -	\$ -	\$ -
PH INSTRUMENTATION		X	X		\$ 3,179.20	\$ -	\$ -	\$ -	\$ -	\$ -
CONDUCTIVITY INSTRUMENTATION		X	X		\$ 3,179.20	\$ -	\$ -	\$ -	\$ -	\$ -
OXYGEN ANALYZERS		X	X		\$ 4,238.94	\$ -	\$ -	\$ -	\$ -	\$ -
Neutralization BASIN		X	X		\$ 1,819.37	\$ -	\$ -	\$ -	\$ -	\$ -
PAC FEED SYSTEM NS2WY1		X	X		\$ 141,456.00	\$ -	\$ -	\$ -	\$ -	\$ -
CHEMICAL FEED EQUIPMENT			X	X	\$ 46,419.88	\$ -	\$ -	\$ -	\$ -	\$ 46,419.88
CHEMICAL FEED EQUIPMENT UPGRADE			X	X	\$ 5,670.00	\$ -	\$ -	\$ -	\$ -	\$ 5,670.00
WATER QUALITY CONTROL SYSTEM			X	X	\$ 35,257.34	\$ -	\$ -	\$ -	\$ -	\$ 35,257.34
WATER QUALITY CONTROL SYSTEM UPGRADE			X	X	\$ 34,020.00	\$ -	\$ -	\$ -	\$ -	\$ 34,020.00
ANHYDROUS AMMONIA TANK AND FEED SYSTEM WY2			X	X	\$ 41,414.11	\$ -	\$ -	\$ -	\$ -	\$ 41,414.11
ANHYDROUS AMMONIA TANK FEED SYSTEM WY3			X	X	\$ 1,515.60	\$ -	\$ -	\$ 1,515.60	\$ -	\$ -
PAC FEED SYSTEM WY2			X	X	\$ 62,301.96	\$ -	\$ -	\$ -	\$ -	\$ 62,301.96
PAC FEED SYSTEM WY3			X	X	\$ 104,273.28	\$ -	\$ -	\$ 104,273.28	\$ -	\$ -
CALCIUM CHLORIDE SYSTEM WY2			X	X	\$ 3,402.00	\$ -	\$ -	\$ -	\$ -	\$ 3,402.00
CALCIUM CHLORIDE SYSTEM WY3			X	X	\$ 3,789.00	\$ -	\$ -	\$ 3,789.00	\$ -	\$ -
					\$ 507,340.94	\$ 169,277.76	\$ 338,063.18	\$ -	\$ -	\$ 109,577.88
						\$ -	\$ -	\$ -	\$ -	\$ 228,485.30

Black Hills Companies
Shared Capital Assets & Distribution List

Plants	NS1	NS2	WY1	WY2	WY3	CT1	CT2
Ownership							
Black Hills Wyoming - WyGen1/CT2 MEAN - 23.5% WyGen1			X				X
Black Hills Power - NS1/NS2/WyGen3/CT1 MDU - 25% WyGen3	X	X			X	X	
Cheyenne Light Fuel & Power - WyGen2				X			

Air Systems

	NS1	NS2	WY1	WY2	WY3	CT1	CT2	Annual Asset Fee	Pool 1 - all	Pool 2 - NS2& Wy1	Pool 3 - WY2 & WY3	Pool 2 Allocation of Revenue			Pool 3 Allocation of Revenue			
												Black Hills Power	Black Hills Wyoming	Cheyenne Light Fuel & Power	Black Hills Power	Black Hills Wyoming	Cheyenne Light Fuel & Power	
AIR COMPRESSOR 1A 2CAA-CMP-1A	X	X						\$ 14,285.66		\$ 14,285.66		\$ 14,285.66	\$ -	\$ -	\$ -	\$ -	\$ -	
AIR COMPRESSOR 1B 2CAA-CMP-1B	X	X						\$ 14,285.66		\$ 14,285.66		\$ 14,285.66	\$ -	\$ -	\$ -	\$ -	\$ -	
AIR COMPRESSOR 1C 2CAA-CMP-1C	X	X						\$ 14,285.66		\$ 14,285.66		\$ 14,285.66	\$ -	\$ -	\$ -	\$ -	\$ -	
AIR DRYER 1A 2CAB-DRY-1A	X	X						\$ 6,300.65		\$ 6,300.65		\$ 6,300.65	\$ -	\$ -	\$ -	\$ -	\$ -	
AIR DRYER 1B 2CAB-DRY-1B	X	X						\$ 6,300.65		\$ 6,300.65		\$ 6,300.65	\$ -	\$ -	\$ -	\$ -	\$ -	
STATION AIR RECEIVER 2CAA-RCV-1A	X	X						\$ 9,091.96		\$ 9,091.96		\$ 9,091.96	\$ -	\$ -	\$ -	\$ -	\$ -	
STATION AIR RECEIVER 2CAA-RCV-1B	X	X						\$ 9,091.96		\$ 9,091.96		\$ 9,091.96	\$ -	\$ -	\$ -	\$ -	\$ -	
COMPRESSED AIR EQUIPMENT			X	X				\$ 74,961.74			\$ 74,961.74	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 74,961.74	
AIR COMPRESSOR WO #13126			X	X				\$ 27,350.64			\$ 27,350.64	\$ -	\$ -	\$ -	\$ 27,350.64	\$ -	\$ -	
								\$ 148,603.95	\$ -	\$ 73,642.21	\$ 102,312.38	\$ 175,954.59	\$ 73,642.21	\$ -	\$ -	\$ 27,350.64	\$ -	\$ 74,961.74

CHEYENNE LIGHT, FUEL AND POWER COMPANY
COST OF CAPITAL FROM THE LAST APPROVED RATE CASE
RATE CASE SETTLED IN NOVEMBER 2007

Line No.	Description	Amount	Percent of Total	Cost	Weighted Cost
1	Long-Term Debt	124,000,000	46.00%	6.42%	2.95%
2	Equity	145,548,683	54.00%	10.90%	5.89%
		<u>\$ 269,548,683</u>	<u>100.00%</u>		<u>8.84%</u>

BLACK HILLS POWER
COST OF CAPITAL FROM THE LAST APPROVED RATE CASE
RATE CASE SETTLED IN NOVEMBER 1995

Line No.	Description	Amount	Percent of Total	Cost	Weighted Cost
1	Long-Term Debt	133,291,304	55.46%	8.48%	4.70%
2	Equity	107,055,154	44.54%	12.20%	5.43%
		<u>\$ 240,346,458</u>	<u>100.00%</u>		<u>10.13%</u>

Exhibit B

Shared Capital Assets Fee

Shared Capital Assets Fee.

A) In consideration for its benefit from the use of the Shared Capital Assets, each Owner will pay an annual fee, payable in equal monthly installments and pro-rated for any partial year (the "Shared Capital Assets Fee"). The Operator will establish the Shared Capital Assets Fee on the basis of a "rate of return" calculation made by:

- (i) Applying (A) In the case of BHP and BHW, BHP's capital structure (including its debt-to-equity ratio, return on equity, and cost of debt) utilized by the Wyoming Public Service Commission in BHP's then-most-recently concluded rate case to set rates for BHP's electric utility customers in Wyoming; or, in the case of CLFP, CLFP's capital structure (including its debt-to-equity ratio, return on equity, and cost of debt) utilized by the Wyoming Public Service Commission in CLFP's then-most-recently concluded rate case to set rates for CLFP's electric utility customers in Wyoming; to (B) the net book value of that portion of the Shared Capital Assets attributable to the operations of each Owner's Plants, as reasonably estimated or determined by the Operator as reasonably estimated or determined by the Operator, based upon the nameplate capacity of each Plant benefitting from the Shared Capital Assets, in proportion to all Plants benefitting from the Shared Capital Assets, as of December 31 of the year in which the Shared Capital Assets Fee is established (so that, for instance, the estimated net book value as of December 31, 2009, would be used to calculate the Share Capital Assets Fee for 2010);
- (ii) Adding the book depreciation, and amortization expenses, as reasonably estimated by the Operator for the year in which the Shared Capital Assets Fee is established, attributable to such portion of the Shared Capital Assets (so that, for instance, the estimated depreciation and amortization expenses for 2009 would be used to calculate the Shared Capital Assets Fee for 2010).

B) Each year the Operator shall distribute to each Owner its percentage share of the Shared Capital Assets Fees collected (the "Shared Capital Assets Fee Distribution"), based on each Owner's percentage ownership of the Shared Capital Assets, as set forth in Exhibit A, as may be updated from time to time.

The Operator will establish the Shared Capital Assets Fee for each year on or before December 10 of the preceding year, and shall make the Shared Capital Assets Fee Distribution within 45 days following the end of each quarter. The first such calculation shall be established on or before December 10, 2009, with the Shared Capital Assets Fee being effective January 1, 2010. For clarity, the Shared Capital Assets Fee will not cover the operations and maintenance costs and expenses associated with the Shared Capital Assets.