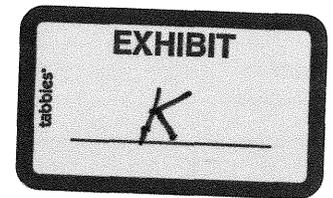




TAYLOR LAW FIRM, LLC  
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September 6, 2018

**VIA EMAIL TRANSMISSION**

Mr. Todd Brink  
Ms. Catherine Sabers  
Associate General Counsel  
Black Hills Corporation  
PO Box 1400  
Rapid City, SD 57709

[Todd.brink@blackhillscorp.com](mailto:Todd.brink@blackhillscorp.com)

[Cathy.sabers@blackhillscorp.com](mailto:Cathy.sabers@blackhillscorp.com)

Re: Energy of Utah LLC/Fall River Solar LLC

Dear Todd and Catherine:

Energy of Utah, Fall River Solar, and their consultants have reviewed the materials you sent me and Mr. Vrba last week. Unfortunately, Fall River Solar does not find Black Hills' avoided cost calculation either credible or acceptable. Fall River believes that Black Hills' avoided cost is in the \$41 range, as previously expressed.

Fall River believes that an impasse in negotiations has been reached and that it is purposeless to continue discussions. In fact, Fall River believes that the impasse was reached June 12, 2018. Over the signature of Ros Vrba, Fall River sent a proposed power purchase agreement to Black Hills on June 7. The letter accompanying the agreement notes "I look forward to your response by June 12, 2018, affirming that Black Hills Energy agrees [with Fall River's proposed avoided cost rate]. If I do not receive your response by June 12, 2018, I will . . . file a formal complaint with the South Dakota Public Utilities Commission . . ." Black Hills didn't respond to the letter by the date requested. The letter constituted an offer to enter into a legally enforceable obligation in the sense of PURPA and FERC regulations and decisions. Under the circumstances, the LEO date accordingly was June 12, 2018.

For the record, Fall River remains willing to enter into the previously proposed power purchase agreement at \$41.66 per megawatt hour as the avoided cost rate.

TAYLOR LAW FIRM

Mr. Todd Brink  
Ms. Catherine Sabers  
September 6, 2018  
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I will shortly be filing an updated version of the complaint sent to you in August with the Public Utilities Commission. The updated complaint will reflect the events that have transpired in recent weeks, including reference to Black Hills' most recent avoided cost calculation.

As I pointed out in my letter of August 14, the non-disclosure agreement you required Fall River Solar and Energy of Utah to sign is so broad it arguably precludes Fall River from disclosing information necessary to plead its case before the Commission. While you have said that the draft petition I sent you does not offend the non-disclosure agreement, you also said “. . . all of the data . . .” supplied in conjunction with Black Hill's latest avoided cost calculation “. . . is subject to the non-disclosure agreement . . . and should not be shared with anyone other than your advisors [sic].” Fall River respectfully declines to accept that condition. Of necessity the information appended to the latest avoided cost calculation must be used in the case Fall River will make before the Commission. If you wish the information to be confidential in proceedings before the Commission, there is a regulatory process you may employ to protect the information. As a matter of courtesy, I won't publish the information until Black Hills has had a chance to solicit regulatory protection or advised me that it has no objection to publication of the information.

Thank you for your consideration.

Sincerely,

William Taylor