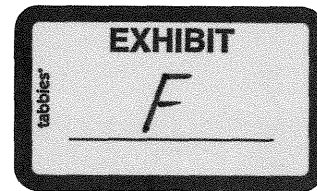


Energy of Utah, LLC
Ros Vrba, President
2114 Pinnacle Terrace Way #104
Cottonwood Heights, UT 84121

June 7, 2018

Black Hills Corporation
Attn: Chris Kilpatrick
7001 MT. Rushmore Road
Rapid City, SD 57702
Phone: 605.721.2748



RE: Black Hills Power, Inc. d/b/a Black Hills Energy Avoided Cost Pricing for the Fall River Solar LLC 80 megawatt ("MW") Solar Facility located in Fall River County, South Dakota

Dear Mr. Kilpatrick:

I am in receipt of your response letter dated May 31, 2018, in which you state the avoided cost rate for the referenced project on a levelized 20-year basis is \$17.02 per megawatt-hour. I disagree with the rate and the basis and support you cite for your company's calculation methodology. Using your avoided cost calculation assumptions for the Fall River Solar project identified in your spreadsheet "BHP Fall River QF Modeling Assumptions Final" the appropriate avoided cost rate is the levelized rate of \$41.69 per megawatt-hour for the 20 MW SD2 solar project. This is the last known long-term contract or asset that I am aware of that your company has executed using the avoided cost methodology approved by the South Dakota Public Utilities Commission. I am not aware that the South Dakota Public Utilities Commission has approved Black Hills Energy's use of the revised methodology you reference from EL16-021.

I have enclosed a pro-forma power purchase agreement for Fall River Solar LLC consistent with the agreements approved by the South Dakota Public Utilities Commission for the solar QF projects, SD1 and SD2. I look forward to your response by June 12, 2018, affirming that Black Hills Energy agrees with me. If I do not receive your response by June 12, 2018 I will direct my lawyer, William Taylor, to file a formal complaint with the South Dakota Public Utilities Commission no later than June 14, 2018.

Regards,

Ros Rocco Vrba

Ros Vrba

CC: William Taylor

Mark Klein