

**FIFTH AMENDED
GENERATION DISPATCH AND ENERGY
MANAGEMENT AGREEMENT**

BETWEEN

BLACK HILLS POWER, INC.

AND

CHEYENNE LIGHT, FUEL AND POWER COMPANY

FIFTH AMENDED
GENERATION DISPATCH AND ENERGY
MANAGEMENT AGREEMENT

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**FIFTH AMENDED
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ENERGY MANAGEMENT AGREEMENT
BETWEEN
BLACK HILLS POWER, INC.
AND
CHEYENNE LIGHT, FUEL AND POWER COMPANY**

This Fifth Amended Generation Dispatch and Energy Management Agreement (“Agreement”) is effective as of July 1, 2024 and is between Black Hills Power, Inc. (“Black Hills Power”), a South Dakota corporation, and Cheyenne Light, Fuel and Power Company (“Cheyenne Light”), a Wyoming corporation, referred to collectively as “Parties” and singularly as “Party”.

WHEREAS, the Parties enter into this Agreement in order to achieve a greater realization of economic benefits for their respective customers through the coordination of generation and/or purchasing of wholesale energy;

WHEREAS, the Parties can achieve these economic benefits through a single integrated and centrally dispatched System, and through coordination of their electric supply activities, including planning, construction, operation, dispatch, and maintenance of their Generating Units;

WHEREAS, the foregoing benefits will be economically achieved and their attainment will be facilitated by having certain services performed by Black Hills Power acting as agent on behalf of Cheyenne Light;

WHEREAS, Black Hills Power and Cheyenne Light have each executed a Fourth Amended Western Joint Dispatch Agreement with Southwest Power Pool, Inc. (“SPP”) for the purpose of integrating into the Western Energy Imbalance Service Market (“WEIS Market”), managing Energy Imbalance, and optimizing generation resources in the intra-hour time horizon

and desire to reflect that fact in this Agreement;

WHEREAS, through the Fourth Amended and Restated Generation Dispatch and Energy Management Agreement the Parties expressed their intent to maintain historical contractual arrangements but also incorporate necessary and appropriate revisions to facilitate operations in the WEIS Market, which revisions included but were not limited to revisions to address how Joint Settled Units (as defined herein) would be registered, operated, managed, and settled in the WEIS Market;

WHEREAS, through the Fifth Amended and Restated Generation Dispatch and Energy Management Agreement, the Parties desire to amend and restate their Agreement to more appropriately allocate regulation and frequency response costs encountered by Black Hills Power on behalf of itself and Cheyenne Light due to increases in renewable generation; and

NOW, THEREFORE, in consideration of the covenants and premises herein set forth, and other good and sufficient consideration, the Parties mutually agree as follows:

ARTICLE I TERM OF AGREEMENT

This Agreement will become effective on July 1, 2024 and shall continue in full force and effect from year to year until terminated by either Party upon six (6) months written notice to the other Party or in accordance with section 6.10.

ARTICLE II DEFINITIONS

For the purpose of this Agreement, the following definitions shall apply:

2.01 Agreement shall be this Fifth Amended and Restated Generation Dispatch and Energy Management Agreement, including all attachments hereto, as the same may be amended, supplemented, or modified in accordance with its terms.

2.02 Balancing Authority Services are the same types of services as those commonly referenced as ancillary services and are energy-related services necessary to support the transmission of energy from generating resources to Loads while maintaining reliable operation of the transmission system in accordance with Good Utility Practice.

2.03 Balancing Authority shall mean the operator of an electric power system or combination of electric power systems to which a common generation control scheme is applied, whether such control is manual, automatic, or a combination of both.

2.04 BHW Minimum Payment means the compensation for which Black Hills Wyoming, LLC (“BHW”) will be responsible under its respective Generation Dispatch and Energy Management Agreement (“BHW GDEMA”) with Black Hills Power whenever BHW has 0 MW of total gross capacity attributed to it in Schedule B under “Dispatched Resources – Black Hills Wyoming.” The BHW Minimum Payment will be 0.3% of the total allocable Monthly Department Costs as that phrase is defined in Schedule A.

2.05 Capacity Resources shall mean those available Generating Units and firm purchased power resources owned or acquired by each Party to meet its Load Responsibility and Planning Reserve Level. Each Party’s Capacity Resources shall include those set forth in Schedule B of this Agreement and also includes any Capacity Resources subsequently constructed, purchased, or otherwise acquired by a Party.

2.06 COG WAPA Allocation Fee is a set fee (escalated annually) and payable by the City of Gillette (“COG”) related to scheduling and tagging services provided by Black Hills Power to COG in relation to COG’s WAPA allocation.

2.07 Demand shall be the demand, expressed in mega-watts (MW), of all retail and wholesale customers of a Party, for both firm and non-firm Energy, on whose behalf a Party, by

statute, franchise, regulatory requirements, or contract, has an obligation to supply electricity, integrated over a period of one hour, plus the losses incidental to that service.

2.08 Economic Dispatch shall be the distribution among alternative sources of real time and forward scheduling of the Parties' collective Capacity Resources and Energy Resources on the System without respect to ownership to satisfy the Parties' collective Load Responsibilities for System economy with due consideration of incremental generating costs, the cost of transmission service, incremental transmission losses, and system reliability.

2.09 Economy Energy Service Agreement shall mean the Economy Energy Service Agreement among Black Hills Power, Cheyenne Light, and Black Hills/Colorado Electric Utility Company, LP (n/k/a Black Hills Colorado Electric, LLC), which Black Hills Power filed with FERC on April 27, 2012, in Docket No. ER12-1180-000.

2.10 Energy Imbalance represents the difference between the expected and the actual delivery of energy to Load and/or the difference between expected and actual Load at defined pricing node(s) over a set dispatch interval. Energy Imbalance can be positive or negative; and in the WEIS Market, it is measured on a five-minute basis and in the intra-hour time horizon.

2.11 Energy Resources shall mean those available non-firm purchased power resources owned or acquired by each Party to meet its Load Responsibility and Planning Reserve Level.

2.12 FERC shall mean the Federal Energy Regulatory Commission or its successor.

2.13 GDEMA means a Generation Dispatch and Energy Management Agreement with Black Hills Power.

2.14 Generating Unit shall be an electric generator, regardless of fuel source, together with its prime mover, and all auxiliary and appurtenant devices and equipment designed to be operated as a unit for the production of energy.

2.15 Good Utility Practice shall mean the practices, methods, and acts engaged in or approved by a significant portion of the electric utility 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 includes all acceptable practices, methods, or acts generally accepted in the region.

2.16 Interruptible Load shall mean Load that the end-use customer makes available to a Party by contract or agreement for curtailment.

2.17 Joint Settled Units mean (1) generating facilities that are jointly owned by Black Hills Power and Cheyenne Light and which, at the time this Agreement becomes effective, include Cheyenne Prairie Generation Station I (“CPGS I”) and Corriedale Wind Farm but may include Generating Units subsequently constructed or acquired by the Parties and owned jointly; (2) the wind generation assets associated with the RESAs described below in Section 2.24; and (3) Wygen I, which is included in Schedule B of this Agreement as a 60 MW Cheyenne Light-Dispatched Resource (through a FERC approved affiliate Power Purchase Agreement) and also as a 5 MW Power Purchase Agreement identified in Schedule B of this Agreement under the heading City of Gillette-Dispatched Resources.

2.18 Load shall mean an end-use device or customer that receives power from the System.

2.19 Load Responsibility of a Party during any period shall be as follows:

- (a) The Peak Demand of a Party; less

- (b) Interruptible Load, including Load directly controlled by the Party included in (a) above; plus
- (c) The contractual amount of the Party's off-system firm energy sales and firm energy exchanges with other systems, including applicable reserves during the period; less
- (d) The contractual amount of the Party's firm off-system energy purchases and firm energy exchanges with other systems, including applicable reserves, during the period from other systems.

2.20 Peak Demand for a period shall be the highest Demand for any hour during the period.

2.21 Planning Reserve Level of a Party shall be the MW amount of required reserve capacity for a Party established by the Reliability Coordinator or by the Party consistent with Good Utility Practice, expressed as a percentage of the Party's forecasted Load Responsibility.

2.22 Reliability Coordinator shall mean the entity that is the highest level of authority that is responsible for the reliable operation of the System.

2.23 Reliability Requirements shall mean the applicable rules, requirements, and standards promulgated by the Reliability Coordinator that govern the safe and reliable operation of the System.

2.24 RESAs shall mean the Renewable Energy Sales Agreements between Cheyenne Light and Black Hills Power, which FERC accepted for filing in Docket Nos. ER08-1475-000 and ER10-14-000, or similar agreements which may later be filed with FERC.

2.25 Southwest Power Pool or SPP is as defined in the recitals.

2.26 Spinning Reserve Service Agreement shall mean the Spinning Reserve Service

Agreement by and among Black Hills Power, Cheyenne Light, Black Hills/Colorado Electric Utility Company, LP, (n/k/a Black Hills Colorado Electric, LLC) and Black Hills Wyoming, LLC, which FERC accepted for filing in Docket No. ER11-57-000.

2.27 Surplus Energy shall mean energy available to a Party from its Capacity Resources and Energy Resources in excess of the Party's Load Responsibility. Surplus Energy does not, however, include any positive Energy Imbalance occurring intra-hour.

2.28 System shall be the:

- (a) Capacity Resources and Energy Resources owned, operated, and controlled by the Parties without regard to the ownership of a particular Capacity Resource or Energy Resource by a particular Party;
- (b) the interconnection equipment connecting the Generating Units to the transmission grid or the transmission grid to the distribution facilities;
- (c) the transmission rights necessary to transmit energy; and
- (d) the distribution facilities utilized to serve the Load that are owned or operated by or for the benefit of the Parties.

2.29 System Purchases shall mean all purchases of capacity, energy, and ancillary services from a third party to serve Load on the System. The phrase System Purchases does not include intra-hour transactions which occur in the WEIS Market.

2.30 System Sales shall mean all sales of capacity, energy, and ancillary services from Cheyenne Light to a third party. The phrase System Sales does not include intra-hour transactions which occur in the WEIS Market.

2.31 WACM shall mean Western Area Power Authority, Colorado-Missouri region.

2.32 WEIS Market is as defined in the recitals.

2.33 WEIS Market Participant Agreement means the agreement that Cheyenne Light and Black Hills Power each separately signed with SPP to facilitate energy market transactions in the WEIS Market.

2.34 WJDA(s) means the Fourth Amended and Restated Western Joint Dispatch Agreement(s) executed separately by Black Hills Power and Cheyenne Light for participation in the WEIS Market or any subsequent amended Western Joint Dispatch Agreement executed by Black Hills Power or Cheyenne Light with SPP for continued participation in the WEIS Market.

**ARTICLE III
BLACK HILLS POWER'S
SERVICE AS AGENT FOR CHEYENNE LIGHT**

3.01 Agency

Subject to the terms of this agreement, Cheyenne Light appoints Black Hills Power as its agent for the purpose of performing the applicable duties set forth in Section 3.02.

3.02 Duties of Black Hills Power

In its capacity as agent for Cheyenne Light, Black Hills Power shall perform the following duties in accord with Good Utility Practice:

- (a) Coordinate and direct the Economic Dispatch of the System subject to the principles and procedures identified in Schedule E; provided however, the Parties acknowledge that after hour start, the SPP WEIS Market will dispatch the Parties' respective owned resources, Load, and Joint Settled Units on a five-minute basis, or as otherwise consistent with the WEIS Tariff, for the purpose of optimizing resources and Loads and addressing Energy Imbalance within the WEIS Market footprint.
- (b) If requested by Cheyenne Light, arrange for Balancing Authority Services

through the WACM Balancing Authority, or an appropriate successor BA, as needed on behalf of Cheyenne Light, including but not limited to, regulation and frequency response service, but not including Energy Imbalance or Generator Imbalance. If upon Cheyenne Light's request, Black Hills Power continues to arrange for necessary Balancing Authority Services, costs encountered by Black Hills Power, on behalf of Cheyenne Light, will be billed to Cheyenne Light on a pass-through basis in accordance with Schedule A(1).

- (c) Monitor System conditions, perform periodic security assessments consistent with Reliability Requirements and Good Utility Practice, and take appropriate actions to maintain the reliability of the System through generation control and Load balancing prior to hour start.
- (d) Arrange for the delivery of energy to Cheyenne Light as needed to meet Cheyenne Light's Load Responsibilities at a cost pursuant to Schedule C;
- (e) Plan, coordinate, and schedule System Purchases with System Purchases being reimbursable by Cheyenne Light pursuant to Schedule C.
- (f) Obtain or assist Cheyenne Light in obtaining and arranging for transmission service, including associated ancillary services, if necessary, (except as specifically stated otherwise in this Agreement), as necessary to deliver energy to satisfy Cheyenne Light's Load Responsibility.
- (g) Plan for Cheyenne Light Capacity Resource and Energy Resource requirements on a System-wide basis consistent with Reliability Coordinator requirements, applicable regulatory requirements, and Good Utility Practice.
- (h) Develop all capacity and energy bills and billing-related information between the

Parties and with other wholesale transacting entities; provided however, Cheyenne Light will settle with SPP directly for transactions in the WEIS Market in relation to the resources and Loads it has registered, on its own behalf, under its own WEIS Market Participant Agreement.

- (i) Manage operating reserve requirements for Cheyenne Light (but not Planning Reserve Level), including the purchase of reserve capacity and energy on Cheyenne Light's behalf, and engage in such other activities, or perform such other duties, as assigned by the Parties by mutual agreement. For operating reserves (reserves other than the Planning Reserve Level), the management of reserves may be accomplished by participation in a reserve sharing group or entering into reserve sharing agreement. To the extent such reserves are managed through a reserve sharing group or agreement, any administrative costs associated with participation will be allocated between the GDEMA parties using that service by their respective Load ratio share. Costs for any reserve energy secured, supplied, or held for activation will be paid in accordance with Schedule C. In the event Cheyenne Light Capacity Resources are used to respond to any reserve group activation, Cheyenne Light will be compensated consistent with pricing provided in any reserve sharing group rules or agreement and its proportionate ownership of the Capacity Resource, if applicable.
- (j) Administer the RESAs in a manner consistent with their requirements.
- (k) Administer the Spinning Reserve Service Agreement in a manner consistent with its requirements.
- (l) Administer the Economy Energy Service Agreement in a manner consistent with

its requirements.

- (m) Arrange for system dispatch and settlement transactions to facilitate the Economic Dispatch of the System; provided however, the Parties acknowledge that intra-hour dispatch will occur in the WEIS Market and Cheyenne Light will settle with SPP directly for transactions in the WEIS Market in relation to the generating resources and Loads it has registered, on its own behalf, under its own WEIS Market Participant Agreement.
- (n) If requested by Cheyenne Light, arrange for the sale of Surplus Energy and/or System Sales from Cheyenne Light under the terms and conditions of Section 5.01;
- (o) Register, in association with Black Hills Power's SPP Market Participant Agreement, the Joint Settled Units in a manner that is commercially reasonable given the WEIS Market Tariff and WEIS Market Protocols and, to the extent applicable for a particular Joint Settled Unit and for Cheyenne Light owned or contracted resources, submit heat rate curves, mitigated offer curves, economic bids, meter information, and engage in other commercial communications with the WEIS Market in relation to the Joint Settled Units and Cheyenne Light owned or contracted resources. Cheyenne Light acknowledges its understanding that Black Hills Service Company employees will fulfill Black Hills Power's obligations under this Agreement and will also be submitting heat rate curves, mitigated offer curves, economic bids, and engage in required commercial communications with the WEIS Market for not only the Joint Settled Units and Cheyenne Light owned or contracted resources, but will also fulfill those same

functions for Black Hills Power (including but not limited to Black Hills Power resources and resources Black Hills Power jointly owns with non-affiliates), Montana Dakota Utilities (“MDU”) (including MDU’s share of Wygen III), the City of Gillette (“COG”) (including COG’s share of Wygen III, the COG owned CT II, and the to the extent applicable COG’s Wygen I PPA), and Black Hills Colorado Electric, LLC. The aforementioned activities will be accomplished in accord with the WEIS Tariff, WEIS Market Protocols, Good Utility Practice, and based upon the operational characteristics of individual Generating Units as a whole, market fundamentals, economic incentives, and the costs of the individual Generating Units as a whole without regard to the ownership of any jointly owned Generation Unit, ownership of other Generation Units, or participation in any generation joint ownership agreements. Settlement of WEIS Market charges and credits associated with the Joint Settled Units is addressed in Schedule F.

3.03 Reporting to Cheyenne Light

Black Hills Power shall communicate regularly with Cheyenne Light personnel responsible for Cheyenne Light system operations and reliability and provide periodic reports of its activities under this Article of the Agreement to Cheyenne Light, in a format agreed upon by the Parties, at least on a monthly basis. Black Hills Power shall promptly notify Cheyenne Light of situations or problems that may affect the reliability of the Cheyenne Light system or that may adversely affect the performance of Black Hills Power’s duties under this Article of the Agreement. Black Hills Power shall also provide to Cheyenne Light, in such detail as is reasonably requested, reports on specific issues or projects arising out of its duties under this Article of the Agreement.

3.04 Compensation of Black Hills Power for Agency Services

Unless otherwise provided in this Agreement, Cheyenne Light shall compensate Black Hills Power for the agency services specified in this Article III of the Agreement in accordance with Schedules A.

3.05 Purchases on Cheyenne Light's Behalf

Unless otherwise provided or specified in this Agreement, including in Schedule A(1), Cheyenne Light shall reimburse Black Hills Power pursuant to Schedule C for Black Hills Power's purchases and outlays on behalf of Cheyenne Light for capacity, energy, and ancillary services, if any.

In addition, the Parties acknowledge that Cheyenne Light will settle with SPP directly for intra-hour transactions which occur in the WEIS Market in relation to the resources and Loads it has registered, on its own behalf, under its own WEIS Market Participant Agreement. Finally, settlement and reimbursement of WEIS Market charges related to Joint Settled Units will occur in accord with Schedule F.

3.06 Pricing of Services Under RESAs, Spinning Reserve Service Agreement, Economy Energy Service Agreement, and Other Agreements on File with FERC. The price of services provided by one Party to another under the RESAs, the Spinning Reserve Service Agreement, the Economy Energy Service Agreement, and any other agreement for the sale and purchase of electric capacity, energy, or ancillary services between the Parties that establishes prices for such electric capacity, energy, or ancillary services and that are accepted for filing by FERC shall be the prices established in those agreements and shall not be established by this Agreement.

3.07 Dispatch Principles and Procedures. In implementing the System-wide Economic Dispatch of the Parties' Capacity Resources and Energy Resources, Black Hills Power will undertake actions that that allow the Parties' Capacity Resources and Energy Resources, including purchased resources, to serve System Load in the most economic and reliable manner, taking into consideration the cost and reliability of resources and transmission service and the avoided cost of transmission service rendered unnecessary by the System-wide Economic Dispatch of the System. Black Hills Power will undertake the Economic Dispatch of the System consistent with the dispatch principles and procedures identified in Schedule E. The Parties acknowledge that after hour start, the SPP WEIS Market will engage in economic dispatch of the Parties' respective owned resources, Loads, and Joint Settled Units on a five-minute basis, or as otherwise consistent with the WEIS Tariff for the purpose of optimizing resources and Loads and addressing Energy Imbalance within the WEIS Market Footprint.

ARTICLE IV MUTUAL OBLIGATIONS

4.01 Responsibility for Adequate Resources

Each Party shall own, or have available to it under contract, such Capacity Resources and Energy Resources as are reasonably predicted to be necessary to supply its Load Responsibility and its Planning Reserve Level.

4.02 Collective System Dispatch

Black Hills Power will undertake the Economic Dispatch of each Party's Capacity Resources and Energy Resources on a system-wide basis to satisfy the Parties' collective Load Responsibilities without regard to the ownership of a particular Capacity Resource or Energy Resource by a particular Party.

ARTICLE V
SURPLUS ENERGY AND SYSTEM SALES

5.01 Surplus Energy Sales and System Sales

Upon Cheyenne Light's request, Black Hills Power will act as agent for Cheyenne Light to sell Surplus Energy and/or for System Sales. Surplus Energy sales and/or System Sales can be made as agent for Cheyenne Light or directly in Cheyenne Light's name. Cheyenne Light shall compensate and reimburse Black Hills Power for the services specified in this Article of the Agreement in accordance with Schedules A and C.

ARTICLE VI
GENERAL

6.01 Regulatory Authorization

This Agreement is subject to certain regulatory approvals and each Party shall diligently seek all such necessary regulatory authorization.

6.02 Effect on Other Agreements

This Agreement shall not modify the obligations of either Party under any other agreement between the Parties that is in effect as of the date of this Agreement, or the obligation of others not parties to this Agreement.

6.03 Schedules

The basis of compensation or payment between the Parties under this Agreement shall be in accordance with arrangements agreed upon from time to time between the Parties. Such arrangements shall be in the form of Schedules, each of which, when signed by the Parties thereto, and approved or accepted, where necessary, by appropriate regulatory authority, shall become a part of this Agreement.

6.04 Billings

Bills for services rendered hereunder shall be calculated in accordance with applicable Schedules and shall be issued on a monthly basis for services performed during the preceding month.

6.05 Waivers

Any waiver at any time by either Party of its right with respect to a default under this Agreement, or with respect to any other matter arising in connection with this Agreement, shall not be deemed a waiver with respect to any subsequent default or matter. Any delay, short of the statutory period of limitation, in asserting or enforcing any right under this Agreement, shall not be deemed a waiver of such right.

6.06 Successors and Assigns

This Agreement shall inure to the benefit of and be binding upon the Parties only, and their respective successors and assigns, and shall not be assignable by either Party without the written consent of the other Party.

6.07 No Third-Party Beneficiaries

This Agreement does not create rights of any character whatsoever in favor of any person, corporation, association, entity, or power suppliers, other than the Parties, and the obligations herein assumed by the Parties are solely for the use and benefit of said Parties. Nothing in this Agreement shall be construed as permitting or vesting, or attempting to permit or vest, in any person, corporation, association, entity, or power suppliers, other than the Parties, any rights hereunder or in any of the Generating Units or other assets owned by the Parties, or the use thereof.

6.08 Amendment

It is contemplated by the Parties that it may be appropriate from time to time to change, amend or supplement this Agreement. This Agreement may be changed, amended, modified or supplemented by an instrument in writing executed by both of the Parties after approval or acceptance for filing, if necessary, by the appropriate regulatory authorities.

6.09 Liability and Indemnification

Subject to any applicable state or federal law which may specifically restrict limitations on liability, each Party shall defend, indemnify, hold harmless, and release the other Party, and their directors, officers, and employees, from and against any and all liability for loss, damage, or expense alleged to arise from, or incidental to, injury to persons, and/or damage to property in connection with its facilities or the production or transmission of energy by or through such facilities. In no event shall one Party be liable to the other Party for any indirect, special, incidental, or consequential damages with respect to any claim arising out of this Agreement.

6.10 Regulatory Changes or Approvals

If any regulatory agency having jurisdiction over either Party passes laws or regulations that make the obligations of this Agreement vary in any way other than that originally contemplated, then the Parties shall take such additional action as may reasonably be required to promptly comply with the change in law and obtain any additional required approvals. In the event such change or approval is not acceptable to either party, the objecting party may terminate this Agreement by three months prior written notice to the other party and after satisfaction of any and all outstanding obligations.

6.11 Governing Law

The validity, interpretation, and performance of this Agreement and each of its provisions

shall be governed by the applicable laws of the State of South Dakota.

6.12 Section Headings

The descriptive headings of the Articles and sections of this Agreement are used for convenience only and shall not modify or restrict any of the terms and provisions thereof.

(Remainder of page is blank)

(Signature page follows)

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

BLACK HILLS POWER, INC.

**CHEYENNE LIGHT, FUEL AND
POWER COMPANY**

Name: _____

Name: _____

Title: _____

Title: _____

SCHEDULE A

Compensation of Agent Generation Dispatch and Scheduling Services

Cheyenne Light will pay for generation dispatch-related services on a monthly basis, based upon Black Hills Service Company LLC's, ("BHSC") generation dispatch and energy management department operations and maintenance costs (Monthly Departmental Costs). Monthly Departmental Costs will be determined by totaling the costs accrued by BHSC in that month in the generation dispatch and energy management department. The generation dispatch and energy management department will then record its costs to FERC Accounts 556, 926, or other appropriate accounts based on the actual duties performed by department personnel or the type of expense incurred by the generation dispatch and energy management department in the performance of those duties, with such costs to be allocated to the appropriate FERC account based on the description for each such account in FERC's Uniform System of Accounts regulations, 18 C.F.R. Part 101. The total Monthly Departmental Costs that will be allocated to Cheyenne Light will be based on a ratio the numerator of which is the total gross capacity of the resources identified in Schedule B as "Dispatched Resources-Cheyenne Light, Fuel & Power Co." and the denominator of which is the total gross capacity of all Dispatched Resources identified in Schedule B. If the BHW Minimum Payment is triggered as described in Section 2.04, the total Monthly Departmental Costs will be reduced by the BHW Minimum Payment amount before the allocation to Cheyenne Light described in the previous sentence occurs. Similarly, if BHP is actively collecting a COG WAPA Allocation Fee (as defined in Section 2.06), the total Monthly Departmental Costs will be reduced by the COG WAPA Allocation Fee before the allocation to Cheyenne Light described in this Schedule A occurs.

SCHEDULE A(1)

Regulation and Frequency Response, Energy Imbalance/Generator Imbalance, and other necessary Balancing Authority Services

Regulation and frequency response is currently provided by the WACM Balancing Authority (“WACM BA”). With the exception of regulation and frequency response for Happy Jack Wind Farm, the WACM Balancing Authority bills the Agent on a monthly basis for regulation and frequency response and Cheyenne Light must reimburse the Agent for regulation and frequency response procured on its behalf. Agent can permissibly allocate the costs for regulation and frequency response as follows:

- If WACM identifies regulation and frequency response as attributable to a specific identifiable generating resource, and it is a Cheyenne Light owned resource, Agent will directly assign those costs to Cheyenne Light;
- If WACM identifies regulation and frequency response as attributable to a specific generating resource and that generating resource is jointly owned by Agent and Cheyenne Light or the subject of the RESAs, regulation and frequency response will be allocated to each Party based on the Parties’ ownership or PPA share regardless of the billed Party;
- If WACM does not identify regulation and frequency response as attributable to a specific identifiable generating resource, the Parties will each be responsible for their allocated share of these costs based upon the Load ratio share of each Party’s monthly scheduled energy as compared to the Parties’ combined total monthly scheduled energy.

In relation to the Balancing Authority services commonly referred to as Energy

Imbalance and Generator Imbalance, Cheyenne Light is its own Market Participant in the WEIS Market, is responsible for its own Energy Imbalance and Generator Imbalance, and, with the exception of Energy Imbalance/Generator Imbalance related to the Joint Settled Units identified in this Agreement, will settle its own Energy Imbalance/Generator Imbalance directly with SPP. Energy Imbalance/Generator Imbalance charges attributable to Joint Settled Units are addressed in Schedule F.

Unless otherwise provided for in this Agreement or its schedules, if Balancing Authority Services other than Energy Imbalance/Generator Imbalance and regulation and frequency response are provided by Black Hills Power under this Agreement, the Parties will each be responsible for their allocated share of charges based upon the Load ratio share of each Party's monthly scheduled energy as compared to the Parties' combined total monthly scheduled energy.

SCHEDULE B

Capacity Resources

<u>Dispatched Resources-Black Hills Power</u>	<u>Gross Capacity</u>
Ben French Diesels	10.0 MW
Ben French CTs	80.0 MW
Lange CT	40.0 MW
Neil Simpson II	90.0 MW
Neil Simpson CT	40.0 MW
Happy Jack Long-Term Purchase	13.7 MW
Silver Sage Long-Term Purchase	20.0 MW
Wygen III - 52.0%	57.2 MW
Wyodak - 20.0%	72.4 MW
PRPA Wind PPA	12.0 MW
Corriedale Wind Farm	32.5 MW
Fall River Solar PPA	80.0 MW
<u>Cheyenne Prairie Generating Station (CPGS) I - 57.89%</u>	<u>55.0 MW</u>
TOTAL	602.8 MW

<u>Dispatched Resources-Cheyenne Light, Fuel & Power Co.</u>	<u>Gross Capacity</u>
Wygen II	95.0 MW
Wygen I	60.0 MW
Happy Jack Long-Term Purchase	13.7 MW
Silver Sage Long-Term Purchase	10.0 MW
Corriedale Wind Farm	20.0 MW
Cheyenne Prairie Generating Station (CPGS) I - 42.11%	40.0 MW
Cheyenne Prairie Generating Station (CPGS) II	37.0 MW
Roundhouse II Wind Generation	106.0 MW
<u>South Cheyenne Solar Generation</u>	<u>150.0 MW</u>
TOTAL	531.7 MW

<u>Dispatched Resources-Black Hills Colorado Electric, LLC</u>	<u>Gross Capacity</u>
Pueblo Diesels	8.0 MW
Rocky Ford Diesels	10.0 MW
Airport Diesels	10.0 MW
Pueblo Airport Generation Station (PAGS)	380.00 MW
Busch Ranch Wind Farm - 50.0%	14.5 MW
Black Hills Colorado Wind Farm-Term Purchase	14.5 MW
Peak View	60.0 MW
PAGS Unit 6	40.0 MW
Busch Ranch II	59.4 MW
Spring Canyon Wind PPA	60.0 MW
TOTAL	656.4 MW

<u>Dispatched Resources-Black Hills Wyoming</u>	<u>Gross Capacity</u>
N/A	0.0 MW
TOTAL	0.0 MW

<u>Dispatched Resources-MDU</u>	<u>Gross Capacity</u>
Wygen III - 25.0%	27.5 MW
TOTAL	27.5 MW

<u>Dispatched Resources-City of Gillette</u>	<u>Gross Capacity</u>
Wygen III - 23.0%	25.3 MW
Wygen I PPA	5.0 MW
Gillette CT	40.0 MW
TOTAL	70.3 MW

SCHEDULE C

Capacity, Energy, and Transmission Pricing From Black Hills Power to Cheyenne Light

The price of any capacity and energy secured by Black Hills Power on behalf of Cheyenne Light and the price of operating reserve energy secured, supplied, or held for activation by Black Hills Power shall be based on Black Hills Power's incremental cost if supplied by Black Hills Power, and based on Black Hills Power's actual cost, if secured from a third party, plus applicable taxes. The price of any transmission and associated transmission ancillary service secured by, or billed to, Black Hills Power on behalf of Cheyenne Light shall be based on Black Hills Powers' actual cost, plus applicable taxes. This Schedule C does not apply to intra-hour energy transactions in the WEIS Market, which will either be settled directly by Cheyenne Light under its WEIS Market Participant Agreement with SPP or, for Jointly Settled Units, under Schedule F of this Agreement.

SCHEDULE D

Reserved

SCHEDULE E

System Dispatch Principles and Procedures

Black Hills Power will undertake the Economic Dispatch of the System consistent with the following principles and procedures:

1. Black Hills Power will undertake actions that allow the Parties' Capacity Resources and Energy Resources, including purchased resources, to serve System Load in the most economic and reliable manner, taking into consideration the cost and reliability of resources and transmission service.
2. Black Hills Power may cause a Capacity Resource or Energy Resource that is owned or controlled by a Party ("Party A") to serve the Load Responsibility of the other Party (Party B). In that event Black Hills Power may dispatch Party A's resources to serve Party B's Load Responsibility. At the same time, Party B's resources will be dispatched to serve Party A's Load Responsibility.

As an example, Cheyenne Light has a long-term power purchase agreement with Happy Jack Wind Power, LLC ("Happy Jack"), to purchase 30 MW of renewable energy from Happy Jack's wind-powered generating facility located in the vicinity of Cheyenne, Wyoming, which is not physically interconnected with the Black Hills Power transmission system. Cheyenne Light and Black Hills Power are parties to a RESA under which Cheyenne Light sells 50% of the renewable energy procured from Happy Jack to Black Hills Power. Cheyenne Light owns the 95 MW Wygen II generating facility located in Gillette, Wyoming, which is interconnected with the Black Hills Power transmission system. When economic circumstances and System operating conditions warrant,

for purposes of facilitating the Economic Dispatch of the System, the exchange of energy between Cheyenne Light and Black Hills Power, Black Hills Power may cause the entire amount of energy available to Cheyenne Light under the Happy Jack RESA to be made available to Cheyenne Light to serve its Load Responsibility while energy from Cheyenne Light's Wygen II facility is made available to Black Hills Power to serve its Load Responsibility. In such instances, the cost of energy made available to Cheyenne Light will be the incremental cost of energy generated by the Wygen II facility and the cost of energy made available to Black Hills Power will be the cost of energy under the RESA.

3. As part of the Economic Dispatch of the System, Black Hills Power may arrange for the purchase of off-system energy to serve a Party's Load Responsibilities for the purpose of displacing some or all of the output of a higher-cost resource or resources owned or controlled by the Parties.

As an example, if off-system energy available to serve Black Hills Power's Load Responsibilities is less expensive than energy resources owned or controlled by the Parties, taking into account the cost of production and transmission costs, then Black Hills Power may arrange an off-system energy purchase to be delivered to Cheyenne Light, in which event Black Hills Power may cause energy from Cheyenne Light's Wygen II facility to be made available to Black Hills Power to serve its Load Responsibilities on a least-cost basis, taking into consideration the cost of production and transmission costs or the avoidance of transmission costs. In such instances, the cost of energy made available to Cheyenne Light will be the incremental cost of energy generated by

the Wygen II facility and the cost of energy made available to Black Hills Power will be the cost of the purchased off-system energy.

SCHEDULE F

Procedures for Joint Settled Units

As explained in the Recitals, Black Hills Power and Cheyenne Light each executed a WJDA and a WEIS Market Participant Agreement for their respective owned Capacity Resources and Load responsibilities. However, the Parties also have jointly owned Generating Resources and other contractual arrangements that were not susceptible to separate registration in the WEIS Market in light of current WEIS Market registration options. Consequently, the resources described in this Agreement as Joint Settled Units are only being registered under the Black Hills Power WEIS Market Participant Agreement.

Because the Joint Settled Units are being registered under Black Hills Power's WEIS Market Participant Agreement, Black Hills Power will be financially responsible to SPP for any WEIS Market charges and will receive any credits associated with the Joint Settled Units, including charges and credits related to Energy Imbalance. To the extent, WEIS Market charges or credits are attributable to Joint Settled Units or generator settlement locations and/or represent Energy Imbalance credits or charges associated with Joint Settled Units or generator settlement locations, Black Hills Power will allocate those charges or credits in proportion to the Parties' ownership or contracted share of the respective Joint Settled Unit as that ownership or contracted share is reflected in Schedule B.

The Parties further acknowledge that as of the time of execution of the Agreement there is one type of WEIS Market charge, the "Miscellaneous Adjustment" that may not be tied to a generation resource or generator settlement location. According to WEIS Market Protocols, SPP will provide a comment containing the reason for any Miscellaneous Adjustment(s) in the settlement determinant report and will post additional supporting documentation when

applicable. If, from SPP's comment the Miscellaneous Adjustment was driven by Load, Black Hills Power will not credit or charge Cheyenne Light, as Cheyenne Light would be assessed a similar adjustment directly by SPP if appropriate under its own Market Participant Agreement. If the Miscellaneous Adjustment is driven by any other factor, Black Hills Power will allocate the charge or credit in proportion to the Parties' ownership or contracted share of the respective Joint Settled Unit as that ownership or contracted share is reflected in Schedule B.