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_____, 2017

Dan Bridges, P.E.
Electrical Engineering Manager
City of Gillette
611 North Exchange Street
Gillette, WY 82716

Dear Mr. Bridges:

The purpose of this letter is to document an Amendment (the "Amendment") to the Amended and Restated Generation Dispatch and Energy Management Agreement (the "GDEMA") dated September 3, 2014, by and between Black Hills Power, Inc., and the City of Gillette, Wyoming.

Amendment Term: The term of this Amendment shall begin on the date of acknowledgement below by both Parties or the date this Agreement is accepted for filing by FERC whichever is later, and shall end on December 31, 2020 (the "Initial Term"). At the end of the Initial Term of this Amendment or any Extended Term, the Amendment shall renew and be extended for additional one year term(s) (the "Extended Term" or "Extended Terms"), unless either party delivers notice of termination of the Amendment no later than six months prior to expiration of the Initial Term or any Extended Term. The Parties further agree and acknowledge that if, during the Initial Term or any Extended Term of the Amendment, BHP joins a Regional Transmission Organization and/or an organized market, the Parties will engage in good faith efforts to draft any necessary new agreements or any appropriate modifications to this Amendment and the Amended and Restated Generation Dispatch and Energy Management Agreement dated September 3, 2014, to the extent necessitated by the centralized dispatch utilized in any RTO structure or more generally by BHP's participation in a Regional Transmission Organization and/or an organized market. Subject to the foregoing, upon termination of the Amendment, the GDEMA shall revert to its original terms. During the Initial Term or any Extended Term of this Amendment, any provision of the GDEMA not specifically modified by this Amendment shall remain in full force and effect.

For the term of the Amendment, Article IV shall be modified as follows:

The dispatch order shall be modified so that resources identified in Article 4.05(k) shall be dispatched ahead of those identified in Article 4.05(j).

For the term of the Amendment, Paragraph 4 of Schedule E shall be modified as follows:

4. Planning Reserves

First bullet: "63 MW" is removed and replaced with "The greater of 63 MW or Gillette Forecast Peak Demand, which shall be determined by BHP, in consultation with Gillette, sufficiently in advance of the forecast period"

For the term of the Amendment, the following shall be added as Paragraph 6 of Schedule E:

6. Peaking Capacity

BHP will provide peaking capacity to Gillette on a monthly basis ("the Peaking Capacity Fee") equal to the product of:

- Gillette Forecast Peak Demand minus Gillette Facility Capacity minus Gillette's WAPA energy allocation; multiplied by;
- The \$/MW charge determined in the third bullet of Section 4 of Schedule E to the GDEMA, or, where BHP utilizes purchased capacity to provide for Gillette's peaking capacity needs, the actual cost of purchased capacity; multiplied by;
- 1.10, which represents cost plus 10%

BHP will perform WAPA allocation scheduling and tagging services on behalf of Gillette for an annual cost of \$1,500 (escalated by 3% each year) to be included in the first invoice following the effective date of this Amendment. Subsequent invoices will be due and payable on January 1st, with the first subsequent invoice being due and payable on January 1, 2018.

BHP will have the exclusive right to serve Gillette's Back-Up Energy needs for the term of this Amendment.

As additional consideration for this Amendment, BHP will have the opportunity to provide these services in the future through a right of first refusal based upon bids received by Gillette for equivalent services.

As noted above, upon termination of this Amendment, the GDEMA shall revert to its original terms, and this Amendment shall have no further force and effect.

Acknowledged:

Black Hills Power, Inc.

By: _____

Its: _____

Date: _____

Acknowledged:

City of Gillette, Wyoming

By: _____

Its: _____

Date: _____