

Felhaber Larson Fenlon & Vogt

A Professional Association – Attorneys at Law

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Richard J. Savelkoul
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Reply to St. Paul

October 8, 2010

North Dakota Public Service Commission Staff
600 East Boulevard Avenue, Dept. 408
Bismarck, ND 58505

Attention: Mike Diller

Re: Representation of PSC Advocacy Staff in Montana-Dakota Utilities Rate Case

Dear Mr. Diller:

Thank you for your interest in having our firm represent the Public Service Commission Advocacy Staff with respect to the Montana-Dakota Utilities 2010 rate case. Experience has demonstrated to us that a positive relationship with our clients can best be achieved and maintained if there is a clear understanding concerning any potential conflict, fees and the expectations of the firm as to each matter.

We want to confirm your receipt and understanding of our memorandum, dated August 17, 2010, and confirm that you consent to our continued representation as outlined in the memorandum now and in the future on those matters and in matters consistent with them.

Our fees are based upon hourly rates for the services of the attorneys and paralegals in our firm. A charge is made for the time which the attorney or paralegal spends on a client's work, including meetings and telephone conferences. In addition to fees for professional services, we bill for all out-of-pocket expenses incurred, such as long distance telephone calls, copying costs, filing and recording fees, etc. Attached is a copy of our firm's Billing Policies, which is a part of our representation agreement with you.

Our bills are prepared and mailed within fifteen days of the end of the month. All bills are due and payable upon receipt. We reserve the right to withdraw from the representation if our fees and costs are not paid in a timely fashion. I have agreed to represent you at a rate of \$250 per hour. No retainer will be required for legal work at this time

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Retainer letter executed by General Counsel

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I have also enclosed a copy of our "Privacy Notice" to advise you of Felhaber's policies regarding privacy of client information. Your privacy, our professional ethics, and the ability to provide you with exceptional services are very important to us.

If these terms (including the attached Billing Policies) are acceptable, please execute the acknowledgment copy of this letter in the place indicated and return it to me at your earliest opportunity.

Best regards,


Richard J. Savelkoul



Enclosures

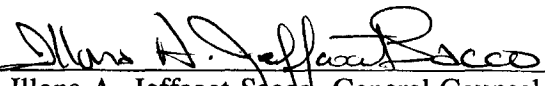
ACKNOWLEDGMENT

We consent and agree to the terms as outlined above, and confirm our consent to Felhaber, Larson, Fenlon & Vogt, P.A.'s representation as outlined above.

Dated: 8 October, 2010

**NORTH DAKOTA PUBLIC SERVICE
COMMISSION**

By:


Illona A. Jeffcoat-Sacco, General Counsel

Felhaber Larson Fenlon & Vogt

A Professional Association – Attorneys at Law

BILLING POLICIES

The following statement sets forth our firm's billing policies. It is also a part of our fee agreement with the client, unless a contrary written agreement has been entered into:

Billing Rates/Costs. All services rendered by our firm are billed on an hourly basis. Our fees are based upon the billing rates of the attorneys in our firm who perform services on behalf of the client. Billing rates are typically adjusted annually effective September 1. The hourly rates for our attorneys vary depending on the experience and expertise of the attorney and the type and complexity of the law involved. Current billing rates for the professional staff providing service on your matter are available from your attorney. These hourly rates may change periodically. The rates do not include our direct expenses incurred, for example: filing fees, travel, long distance telephone calls, duplicating services and delivery services. Those expenses will be billed in addition to our fees.

Scope of Services. Unless otherwise agreed in writing by our firm, all time devoted by an attorney on behalf of a client will be billed to that client. This includes, for example, research, document review, conferences, telephone calls, letters, travel, and periodic review of files to bring the lawyer's knowledge of the case current. Conversations with an attorney are subject to a minimum time charge of 1/10th of an hour.

Billing Procedures. A bill stating the date and a brief description of the services performed and expenses incurred is mailed to the client on about the 10th of each month. The bill normally covers services provided through the end of the previous month. However, in certain cases, we may choose to submit a bill following completion of a particular matter. **All bills are due upon receipt.** In cases involving substantial time or expenses advanced by our firm, we may require payment of a part of the anticipated fees or expenses in advance. We may also require that amounts billed to a corporate client be personally guaranteed by that corporation's principals, or others, as a condition of our representation.

Late Charges. All bills are due upon receipt. There is a LATE CHARGE on the unpaid balance of any past-due amount (an amount for which payment has not been received within 30 days of the bill date). The rate is AN ANNUAL PERCENTAGE RATE OF 12.00%, except that the rate for individual clients and general partnerships is AN ANNUAL PERCENTAGE RATE OF 6.00%. Such LATE CHARGES are made to cover our administrative costs and to encourage prompt payment and are not an agreement on our part that bills may be paid over time.

Electronic Billing. Upon request, we will provide electronic copies of our bills to you to be transmitted by e-mail. Formal electronic billing often requires coordination with a third-party administrator. To arrange for electronic billing, please contact our Accounting Department.

Termination of Representation. We have the right to terminate our representation of any client who has failed to pay a bill for legal services when due, who has otherwise failed to comply with our fee agreement, or who has failed to follow our advice where legal or ethical violations may result. A client has the right to terminate our representation at any time for any reason. This termination does not change the client's obligation to pay for our services and expenses incurred up to the time of termination.

Clients who have questions concerning billing policies are encouraged to discuss them with the firm's attorneys, or the firm's Executive Director, Nancy VanderVort, at 612.373.8404.

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PRIVACY POLICY

Attorneys, like all providers of personal financial and tax-related services, are required by law to inform their clients of their policies regarding privacy of client information. Attorneys have been and continue to be bound by professional standards of confidentiality that are even more stringent than those required by law. Therefore, we have always protected your right to privacy.

Types of Nonpublic Personal Information We Collect

We collect nonpublic personal information about you that is provided to us by you or obtained by us with your authorization.

Parties to Whom We Disclose Information

For current and former clients, we do not disclose any nonpublic personal information obtained in the course of our practice except as required or permitted by law. Permitted disclosures include, for instance, providing information to our employees, and in limited situations, to unrelated third parties who need to know that information to assist us in providing services to you. In all such situations, we stress the confidential nature of information being shared.

Protecting the Confidentiality and Security of Current and Former Clients' Information

We retain records relating to professional services that we provide so that we are better able to assist you with your professional needs and, in some cases, to comply with professional guidelines. In order to guard your nonpublic personal information, we maintain physical, electronic and procedural safeguards that comply with our professional standards.

Please call Nancy VanderVort, Executive Director, at 612.373.8404 if you have any questions, because your privacy, our professional ethics, and the ability to provide you with quality services are very important to us.