

AUTHENTICATED

Contract Amendment No. 1
Contract No. 88-BA0-308
Montana-Dakota Utilities Co.

UNITED STATES
DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION

Pick-Sloan Missouri Basin Program, Eastern Division

CONTRACT FOR ELECTRIC SERVICE TO

MONTANA-DAKOTA UTILITIES CO.

(Bill Crediting, Transmission Service)
(Load and Frequency Control)
(Scheduling and Dispatch)
(Regulation, Nonfirm Electric Service)

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1. PREAMBLE: This Contract Amendment is made this 3rd day of November, 1993, between the UNITED STATES OF AMERICA, acting through the Western Area Power Administration (Western) and Montana-Dakota Utilities Co. (Montana-Dakota), each sometimes hereinafter individually called Party, and both sometimes hereinafter collectively called Parties, as part of Contract No. 88-BAO-308 (Original Contract), as amended or supplemented, pursuant to the same authorities as the Original Contract, and subject to all the provisions of the Original Contract except as herein amended.

2. EXPLANATORY RECITALS:

2.1. The Parties have previously entered into the Original Contract which provides, among other things, system interconnections, transmission service, and the sale of electric power and energy to Montana-Dakota.

2.2. The Parties desire to update the reactive power article of the Original Contract.

2.3. The Parties desire to modify Article 10 of the Original Contract, "Use of the Facilities of Montana-Dakota", and Article 13 of the Original Contract, "Use of the Facilities of Western", and incorporate changes in future requirements of existing or anticipated loads of Western into an exhibit.

2.4. The Parties desire to update nonfirm energy articles of the Original Contract and coordinate the nonfirm energy rates in an exhibit.

2.5. The Parties desire to incorporate the Load and Frequency Section, the Scheduling and Dispatching Service to be Furnished by the United States Section, and the Regulation Section of Contract No. 1-07-60-P00018, dated February 13, 1981, which expired December 31, 1990, into the Original Contract.

2.6. Western desires to enter into bill crediting arrangements with Montana-Dakota.

3. AGREEMENT: The Parties agree to the terms and conditions set forth herein.

4. TERMINATION OF CERTAIN EXHIBITS OF THE ORIGINAL CONTRACT: Exhibit F, "Charges for Maintenance Energy", Exhibit G, "Charges for Replacement Energy", and Exhibit H, "Charges for Breakdown and Emergency Energy" are hereby terminated.

5. DELETION OF CERTAIN ARTICLES OF THE ORIGINAL CONTRACT: Article 18, "Dump Energy", Article 20, "Replacement Energy", Article 25, "Control and Maintenance of Montana-Dakota's Transmission System", and Article 26, "Control and Maintenance of Western's Transmission System", of the Original Contract are deleted in their entirety.

6. TERM OF CONTRACT AMENDMENT: This Contract Amendment shall become effective on the first day of the first full billing period following the date of execution and, subject to prior termination of the Original Contract as provided for therein, shall remain in effect concurrently with the Original Contract and shall terminate coincidentally therewith.

7. MODIFICATION OF THE REACTIVE POWER ARTICLE OF THE ORIGINAL CONTRACT: Article 8 of the Original Contract, "Reactive Power", is hereby deleted and the following substituted therefor:

REACTIVE POWER

"8. a. Each Party will supply or obtain all of its own reactive power requirements. If available, either Party may obtain reactive power from the other by mutual agreement.

b. Western will consider Montana-Dakota's reactive power requirements and reactive power supply capability when determining the amounts of nonfirm energy available for sale hereunder.

c. Western shall require its customers to maintain a power factor at the points of delivery from the system of Montana-Dakota of not less than ninety-five percent (95%) leading or lagging. The customers of Western may be permitted to operate at a lower power factor when approved by Montana-Dakota."

8. MODIFICATION OF USE OF THE FACILITIES OF MONTANA-DAKOTA ARTICLE OF THE ORIGINAL CONTRACT: Article 10 of the Original Contract, "Use of the Facilities of Montana-Dakota", is hereby deleted and the following substituted therefor:

USE OF THE FACILITIES OF MONTANA-DAKOTA

"10. a. Montana-Dakota hereby agrees to accept delivery of electric power and energy into its transmission system, up to the maximum amounts specified in Exhibit G, and to deliver for Western an equivalent amount of electric power and energy, adjusted for losses, at the Point(s) of Delivery specified in Exhibit E. Montana-Dakota agrees to accept power and energy scheduled by Western at the Point(s) of Interconnection specified in Exhibit B and Emergency Point(s) of Delivery to Montana-Dakota specified in Exhibit C for delivery over Montana-Dakota's transmission system to the specified points, regardless of the origin, source, or type of generation used to produce such power and energy.

b. Western may request a change in Exhibit G at any time by written notice to Montana-Dakota. Montana-Dakota shall promptly notify Western whether it is willing to enter into a revised Exhibit G to provide the requested transmission capacity.

c. If, at anytime, Montana-Dakota determines that it cannot provide capacity as set forth in Exhibit G, in whole or in part, Montana-Dakota shall notify Western of such determination and the notice shall become effective on any date specified by Montana-Dakota not less than four (4) years from the date such notice is received by Western. Western, at any time after receipt of such notice from Montana-Dakota, may terminate this PART TWO on not less than thirty (30) days notice to Montana-Dakota. Montana-Dakota will also advise Western at least four (4) years in advance of any contemplated changes in its transmission system which will affect the ability of Western to deliver or its customers to receive power and energy into or from Montana-Dakota's system, or which will require changes in the substation facilities of Western or its customers installed for the delivery of power and energy into, or the receipt of power and energy from, the system of Montana-Dakota.

d. Montana-Dakota shall retain all transmission and capacity rights on its transmission facilities. It is understood and agreed that Montana-Dakota, by entering into this Contract, is not dedicating its facilities to the common carrying of electric energy for the account and use of Western or any other entity."

9. MODIFICATION OF USE OF THE FACILITIES OF WESTERN ARTICLE OF THE ORIGINAL CONTRACT: Article 13 of the Original Contract, "Use of the Facilities of Western", is hereby deleted and the following substituted therefor:

USE OF THE FACILITIES OF WESTERN

13. a. Western hereby agrees to accept delivery of electric power and energy into its transmission system, up to the maximum amounts specified in Exhibit H, and to deliver for Montana-Dakota an equivalent amount of electric power and energy, adjusted for losses, at the Point(s) of Delivery specified in Exhibit H. Western agrees to accept power and energy scheduled by Montana-Dakota at the Point(s) of Interconnection specified in Exhibit B and Emergency Point(s) of Delivery to Montana-Dakota specified in Exhibit C for delivery over Western's transmission system to the specified points, regardless of the origin, source, or type of generation used to produce such power and energy.

b. Montana-Dakota may request a change in Exhibit H at any time by written notice to Western. Western shall promptly notify Montana-Dakota whether it is willing to enter into a revised Exhibit H to provide the requested transmission capacity.

c. If, at any time, Western determines, in accordance with customary utility practice, that it cannot provide capacity as set forth in Exhibit H, in whole or in part, Western shall notify Montana-Dakota of such determination and such notice shall become effective on any date specified by Western not less than four (4) years from the date such notice is received by Montana-Dakota. Montana-Dakota, at any time after receipt of such notice from

Western, may terminate this PART THREE on not less than thirty (30) days notice to Western. Western will also advise Montana-Dakota at least four (4) years in advance of any contemplated changes in its transmission system which will affect the ability of Montana-Dakota to deliver or its customers to receive power and energy into or from Western's system, or which will require changes in substation facilities of Montana-Dakota or its customers installed for the delivery of power and energy into, or receipt of power and energy from, the system of Western.

d. Western shall retain all transmission and capacity rights on its transmission facilities. It is understood and agreed that Western, by entering into this Contract, is not dedicating its facilities to the common carrying of electric energy for the account and use of Montana-Dakota or any other entity.

10. MODIFICATION OF THE ECONOMY ENERGY ARTICLE OF THE ORIGINAL CONTRACT:

Article 17 of the Original Contract, "Economy Energy", is hereby deleted and the following substituted therefor:

ECONOMY ENERGY

"17. a. The Parties may mutually agree to schedule the delivery by Western and the receipt by Montana-Dakota of electric energy, hereinafter called Economy Energy, for use by Montana-Dakota to supplant operation of generating equipment. The amounts and times of delivery shall be established in such schedules. Western will deliver such energy to Montana-Dakota at mutually agreed to Point(s) of Interconnection.

b. Delivery of electric energy scheduled as Economy Energy may be terminated by Western in whole or in part with a minimum of one (1) hour notice, by telephone or other means, given to Montana-Dakota's authorized representative. Western may, as a condition of certain Economy Energy sales, reserve the right to discontinue such sales upon less than one (1) hour notice.

c. No energy deliveries will be considered as Economy Energy hereunder for billing purposes unless so scheduled for delivery in advance.

d. Montana-Dakota shall compensate Western for the Economy Energy furnished hereunder during any billing period under the terms and conditions set forth in Exhibit F.

11. MODIFICATION OF THE MAINTENANCE ENERGY ARTICLE OF THE ORIGINAL CONTRACT:
Article 19 of the Original Contract, "Maintenance Energy", is hereby deleted and the following substituted therefor:

MAINTENANCE ENERGY

"19. a. The Parties may mutually agree to schedule the delivery by Western and the receipt by Montana-Dakota of electric energy, hereinafter called Maintenance Energy, for meeting Montana-Dakota's load requirements during periods of maintenance of its generating units or transmission facilities. Western shall normally be obligated to deliver such energy to Montana-Dakota in the amounts and at the times of delivery established in such schedules unless they are canceled or later modified by mutual agreement. Any special

withdrawal provisions shall be stated in schedules when made. Western will deliver such energy to Montana-Dakota at mutually agreed to Point(s) of Interconnection.

b. Unless otherwise established by mutually agreeable schedules, delivery of Maintenance Energy hereunder shall normally be at a pattern the same as, or similar to, the generating pattern of Montana-Dakota's generating unit that is out of service for maintenance.

c. No energy deliveries will be considered as Maintenance Energy hereunder for billing purposes unless so scheduled for delivery in advance.

d. Montana-Dakota shall compensate Western for the Maintenance Energy furnished hereunder during any billing period under the terms and conditions set forth in Exhibit F."

12. MODIFICATION OF THE BREAKDOWN OR EMERGENCY ENERGY ARTICLE OF THE ORIGINAL CONTRACT: Article 21 of the Original Contract, "Breakdown or Emergency Energy", is hereby deleted and the following substituted therefor:

RECIPROCAL BREAKDOWN OR EMERGENCY ENERGY

"21. a. In the event of a breakdown or emergency on the system of either Party, the other Party shall make every effort to supply, during the period of such breakdown or emergency, all necessary energy hereinafter called Breakdown or Emergency Energy, so far as the supplier determines it can do so consistent with the supplier's obligations to its other customers and consistent with its

arrangements with transmission agents. The Parties will deliver such energy at mutually agreed to Point(s) of Interconnection.

b. The Breakdown or Emergency Energy supplied hereunder shall be charged for under the terms and conditions set forth in Exhibit F."

13. MODIFICATION OF THE INTERCHANGE OF ENERGY ARTICLE OF THE ORIGINAL CONTRACT: Article 22 of the Original Contract, "Interchange of Energy", is hereby deleted and the following substituted therefor:

INTERCHANGE OF ENERGY

"22. a. By mutual agreement, the Parties may interchange surplus energy. Such energy, hereinafter called Interchange Energy, shall be credited to the supplier in an Interchange Energy account. A record of energy interchanges shall be maintained by each Party, and no energy deliveries by one Party to the other Party shall be deemed to be Interchange Energy unless prior agreement for such delivery has been made between the authorized representatives of the Parties. Interchange Energy shall be delivered at mutually agreed to Point(s) of Interconnection.

b. Interchange Energy delivered by either Party to the other under the terms of this Section shall normally be returned kilowatthour for kilowatthour or on another exchange ratio mutually agreed to by the Parties. Interchange Energy shall be returned at Point(s) of Interconnection, and at scheduled times and rates of delivery mutually agreed to before such interchange.

c. Upon termination of this Contract, or by mutual agreement of the Parties at any time during the term hereof, the net balance in the Interchange Energy account shall be settled by payment to the creditor Party at a rate as mutually agreed to by The Parties. When accounts remain unbalanced to the same creditor for a period greater than one (1) year, then that creditor may demand that the Interchange Energy account be brought into balance by payment as provided above or in a manner mutually agreed to by the Parties."

14. MODIFICATION OF THE PURCHASE OF ELECTRIC ENERGY BY WESTERN ARTICLE OF THE ORIGINAL CONTRACT: Article 23 of the Original Contract, "Purchase of Electric Energy by Western", is hereby deleted and the following substituted therefor:

PURCHASE OF ELECTRIC ENERGY BY WESTERN

"23. PURCHASE OF ELECTRIC ENERGY BY WESTERN: The Parties may mutually agree to schedule the delivery by Montana-Dakota and the receipt by Western, of electric energy for use by Western. Montana-Dakota will deliver such energy to Western at mutually agreed to Point(s) of Delivery and/or Point(s) of Interconnection. Western agrees to compensate Montana-Dakota for all such electric energy furnished by Montana-Dakota during any billing period under the terms and conditions set forth in Exhibit F. Montana-Dakota shall render to Western an itemized bill for the electric energy delivered to Western during any billing month on or before the tenth day of the next following month. Payment shall be made by Western as soon as the necessary vouchers can be prepared."

15. MODIFICATION OF THE EXHIBITS MADE PART OF CONTRACT ARTICLE OF THE ORIGINAL CONTRACT: Article 28 of the Original Contract, "Exhibits Made Part of the Contract", is hereby deleted and the following substituted therefor:

EXHIBITS MADE PART OF CONTRACT

28. Exhibits A through H, attached hereto, are hereby made a part of this Contract and each shall be in force and effect in accordance with its terms until respectively superseded by a subsequent exhibit.

16. LOAD AND FREQUENCY CONTROL:

16.1 FACILITIES PROVIDED: Montana-Dakota and Western established load control boundaries at the Coyote and Heskett Interconnections. Montana-Dakota, at its expense, provided for necessary metering equipment, telemetering equipment and communication channels required for hourly kilowatt-hour and "in" and "out" kilowatt quantities at the Coyote and Heskett Points of Interconnections and the Watertown Operations Office. Western, at Montana-Dakota's expense, provided the necessary equipment to receive and display telemetering quantities for control and accounting purposes.

16.2 PAYMENT FOR USE OF FACILITIES: Montana-Dakota shall pay Western one thousand dollars (\$1,000) a year for use of the load and frequency service at the Heskett Interconnection. Montana-Dakota shall also pay Western one thousand dollars (\$1,000) a year for use of the load and frequency service at the Coyote Interconnection. Montana-Dakota shall advance Western such payments on or before September 30, 1993, and on or before September 30 of

each year thereafter in the amount of \$1,000 for each interconnection prorated for periods of less than one year on the basis of eighty-three dollars and thirty-three cents (\$83.33) for each month or part thereof that such load and frequency control equipment is furnished. The advance payment for the load and frequency control equipment may, at the request of either Party be reviewed three years after October 1, 1993, and at three year intervals thereafter. Any revision of the advance of funds as a result of such review shall become effective as to this Contract Amendment upon written notice by Western accompanied by supporting data.

17. SCHEDULING AND DISPATCHING SERVICE TO BE FURNISHED BY WESTERN:

17.1 Western will, at Montana-Dakota's expense, provide scheduling and dispatching service for Montana-Dakota. Such scheduling and dispatching service will be accomplished by the Watertown Operations Office at Watertown, South Dakota. In conjunction with such service, Montana-Dakota will maintain a coordinating office and provide an effective means of communication between that office and the Watertown Operations Office of Western.

17.2 Such scheduling and dispatching service shall be accomplished under procedures agreed upon in advance between authorized representatives of Montana-Dakota and the Contracting Officer.

17.2.1 Montana-Dakota shall compensate Western for scheduling and dispatching service performed by Western for Montana-Dakota, as provided herein, at a flat rate based upon additional costs incurred by Western in providing such

service. Such costs shall include the cost of personnel, the costs of special facilities used, and overhead costs.

17.2.2 Advance payment will be made on or before September 30, 1993, and on or before September 30 of each year thereafter in the amount of one thousand five hundred and sixty dollars (\$1,560), prorated for periods of less than one (1) year on the basis of one hundred and thirty dollars (\$130) for each month that such service is furnished.

17.2.3 The initial charge shall be reviewed by the parties hereto three years after the effective date of this Contract Amendment and thereafter at intervals of not less than three years from the previous review. A revised charge shall become effective as to this Contract when such revised charge is agreed to in writing by the Parties.

18. REGULATION:

18.1 Each Party will supply or obtain all of its regulation service. If available, Montana-Dakota may obtain regulation service from Western by mutual agreement. Western agrees that under present conditions, Montana-Dakota's method of regulation is satisfactory and adequate. Should Montana-Dakota fail to provide regulation service so that Western reserves generating capacity to provide regulating service for Montana-Dakota, Western shall charge for and Montana-Dakota agrees to pay for such regulating service. If Western advises Montana-Dakota that Western will provide regulation service, Montana-Dakota will have seven (7) days to either provide its own reserve capacity to eliminate Western providing regulation service or notify Western that Montana-Dakota agrees to pay for the regulation service. Western will advise Montana-

Dakota in writing of the capacity it reserves in order to provide regulation service prior to providing that regulation service.

18.2 Western will determine all regulation charges and such charges shall be added to Montana-Dakota's bill at the end of each season. Western's rate for regulation service in each season will be the capacity charge in Western's Schedule of Rates for Firm Power Service that is in effect at the beginning of that season.

18.3 The charge shall be equal to the reserved capacity multiplied by Western's rate multiplied by six months. The charge shall be added to the first bill issued in each season. Western will provide regulating service for loads served by power and energy purchased by Montana-Dakota from Western. Western will also provide regulating service for its loads that are served by transmitting power and energy over Montana-Dakota's system.

18.4. Western will determine its net interchange across its area control boundaries by using the best information available which shall include, but not be limited to, Montana-Dakota's scheduled transactions with systems outside Western's load and frequency control area.

19. BILL CREDITING:

19.1 Montana-Dakota shall accept payment from third parties of amounts due Montana-Dakota from Western and shall notify Western of the date of receipt of each payment. Montana-Dakota shall credit Western for such payments the same as if they had been made directly by Western. This obligation to accept

payment from a third party does not release Western of its obligation to pay Montana-Dakota if a third party is unwilling or unable to pay. In the event a third party payment to Montana-Dakota exceed's Western's payment obligation to Montana-Dakota, Montana-Dakota shall reimburse the difference to Western within twenty (20) days of such third party payment. In the event Western directs more than one third party to make payment to Montana-Dakota and the total payments exceed Western's payment obligation to Montana-Dakota, Montana-Dakota shall reimburse the difference to Western within (20) days of the receipt of the last payment received by Montana-Dakota.

19.2 Payments due Western by Montana-Dakota shall be paid by Montana-Dakota to a third party when so directed by Western. Any third party designated to receive payment in lieu of Western, and the amount to be paid to that party, will be so identified in writing to Montana-Dakota with the monthly power bill. The payment to the third party shall be due and payable by the payment due date specified on Western's power bill in accordance with the General Power Contract Provisions. When remitting payment to a designated third party, Montana-Dakota shall indicate that such payment is being made on behalf of Western. Western shall credit Montana-Dakota for the amount paid as if payment had been made directly to Western.

20. ORIGINAL CONTRACT TO REMAIN IN FULL FORCE AND EFFECT: Except as expressly modified by this Contract Amendment, the Original Contract shall remain in full force and effect, and this Contract Amendment shall be subject to all the provisions, except as herein modified, of the Original Contract.

IN WITNESS WHEREOF, the Parties have caused this Contract Amendment to be executed the day and year first above written.

WESTERN AREA POWER ADMINISTRATION

By James R. Davis

Title Area Manager

Address P.O. Box 35800

Billings, MT 59107-5800

(SEAL)

MONTANA-DAKOTA UTILITIES CO.

By Bruce Amundahl^{cn}

Title Vice President, Energy Supply

Address 400 North Fourth Street

Bismarck, ND 58501

Attest:

By Lester H. Lobble II
Title LESTER H. LOBBLE, II, SECRETARY

CERTIFICATE

I, _____, certify that I am the
_____ of the _____,
the corporation named as Contractor herein; that _____
_____, who signed the above contract on behalf of
said Contractor, was then its _____; that said
contract was duly signed for and in behalf of said Contractor by
authority of its governing body and is within the scope of its
corporate powers.

(SEAL)

AUTHENTICATED

Contract No. 88-BAO-308

UNITED STATES
DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION

Pick-Sloan Missouri Basin Program
Montana, North Dakota, and South Dakota

ELECTRIC SERVICE CONTRACT WITH
MONTANA-DAKOTA UTILITIES CO.

Contract No. 88-BAO-308

UNITED STATES
DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION

Pick-Sloan Missouri Basin Program
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ELECTRIC SERVICE CONTRACT WITH
MONTANA-DAKOTA UTILITIES CO.

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Attachments:
Certificate
Schedule UM-NI (Schedule of Rates for Sale of Dump Energy)

UNITED STATES
DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION

Pick-Sloan Missouri Basin Program
Montana, North Dakota, and South Dakota

ELECTRIC SERVICE CONTRACT WITH
MONTANA-DAKOTA UTILITIES CO.

1. This contract made this 1st day of July, 1988, in pursuance of the Act of Congress approved June 17, 1902 (32 Stat. 388), the Act of Congress approved December 22, 1944 (58 Stat. 887), the Act of Congress approved August 4, 1977 (91 Stat. 565), and acts amendatory thereof or supplementary thereto, between THE UNITED STATES OF AMERICA, hereinafter called the United States, acting through the Administrator, Western Area Power Administration, an agency of the Department of Energy, hereinafter called Western, represented by the officer executing this contract, a duly appointed successor, or a duly authorized representative, hereinafter called the Contracting Officer and MONTANA-DAKOTA UTILITIES CO., a Division of MDU Resources Group, Inc., a corporation duly organized, created and existing under and by virtue of the laws of the State of Delaware, hereinafter called Montana-Dakota, its successors and assigns:

WITNESSETH

2. a. WHEREAS, Montana-Dakota is engaged in the business of generating, transmitting, and distributing electric power and energy in the States of Montana, North Dakota, and South Dakota; and

b. WHEREAS, the parties hereto have entered into that certain Contract No. 14-06-600-2070 dated November 21, 1956, as supplemented or amended, which provides, among other things, for interconnections between the systems of the parties hereto, transmission service, and the sale and interchange of electric service; and

c. WHEREAS, said Contract No. 14-06-600-2070 was to have terminated by its own terms on December 31, 1985 and the term was extended by the December 24, 1985 letter agreement until the effective date of this contract; and

d. WHEREAS, it is the mutual desire of the parties hereto to enter into new arrangements which will provide for continued system interconnections, and for the sale and interchange of electric service and which will permit Western to sell and deliver electric power and energy to its customers in the area served by the transmission system of Montana-Dakota and which will permit Montana-Dakota to deliver power and energy to its loads served from the transmission system of Western under the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the mutual covenants herein set forth, the parties hereto agree as follows:

TERMINATION OF EXISTING CONTRACT

3. Contract No. 14-06-600-2070, dated November 21, 1956, as supplemented or amended, and the letter agreement dated October 20, 1960, are hereby terminated on the effective date of this contract.

TERM OF CONTRACT

4. a. This contract shall become effective on the date of its execution and, shall remain in effect until December 31, 2015, unless otherwise terminated. Either party may terminate this contract at any time after December 31, 2006, by written notice of termination given to the other party four years in advance of the effective date of such termination.

b. The date of initial service hereunder is defined as the effective date of this contract.

PART ONE

INTERCONNECTIONS AND OPERATING PROCEDURES

INTERCONNECTIONS

5. a. The parties hereto will continue to interconnect their respective power systems, at such Points of Interconnection and Interconnection Voltages and under such conditions as set forth in Exhibits A, B, C and D attached to and made a part of this contract. Montana-Dakota and Western will mutually maintain, for these Points of Interconnection, voltage variation schedules as mutually agreed upon for the operation of the interconnected systems. Neither party will, without prior approval of the other party, make any system changes at the Points of Interconnection which may adversely affect the operation of the other party's system.

b. Additional Points of Interconnection may be provided in the future at such points and voltages and under such arrangements as mutually agreed to by the parties hereto and by successive revision of Exhibits B, C or D.

c. Except as otherwise specifically provided for in Exhibit D, each party will normally provide the facilities on its system, up to the Point of Interconnection, necessary for interconnection. The facilities to be provided shall include all protective equipment, control, and communication facilities as are mutually agreed to be necessary for proper operation under this contract and for system protection against faults, grounds, and other types of system disturbances that originate upon the power system of either party, as dictated by good utility operating practice. Said equipment will be

provided in the substations associated with each Point of Interconnection by the party owning that substation, except as otherwise provided in Exhibits B and D.

d. Interconnections requested by Montana-Dakota to facilities of Western shall be in accordance with Provision 5 of Exhibit A and all facilities furnished and installed by Montana-Dakota hereunder shall be of a type acceptable to Western and, except as otherwise provided in Exhibit D, shall be and remain the property of Montana-Dakota. Should a Point of Interconnection be terminated or Montana-Dakota no longer needs in service certain of its facilities installed hereunder, any salvable facilities may, at the expense of Montana-Dakota, be removed and the facilities of Western be restored to a condition acceptable to Western. In lieu of removal of Montana-Dakota's facilities, Western shall have the option to purchase said equipment in place at a mutually agreed upon price not to exceed its original cost less depreciation. Any nonsalvable parts of said facilities that have become an integral part of Western facilities; e.g. cable trenches or concrete pads, may be retained in place by Western at no cost or expense to Western.

e. Interconnections requested by Western to facilities of Montana-Dakota shall be in accordance with Provision 6 of Exhibit A and shall meet Montana-Dakota's specifications.

f. Except as provided in Article 7 and Exhibit D, operation, maintenance, and replacement of facilities provided by each party hereunder shall be the responsibility of the party providing the facilities.

g. Montana-Dakota will, upon request by Western, permit Western or its customers to attach to the high-voltage or low-voltage bus in certain

Montana-Dakota substations, as specified in Exhibit D, such facilities as may be required for the interconnection of transmission lines of Western for points of power delivery to, or interconnections with, customers of Western; subject to the following conditions:

(1) all costs of installing, maintaining, replacing, or removing the facilities so attached shall be borne by Western or its customers;

(2) such facilities shall be constructed in accordance with Montana-Dakota's design and specifications and shall be in accordance with Provision 6 of Exhibit A;

(3) Western or its customers shall, upon request by Montana-Dakota, compensate Montana-Dakota for the cost of any additional facilities required to be furnished or installed by Montana-Dakota for the said interconnection as a consequence of the facilities so attached by Western or its customers;

(4) Montana-Dakota will require no transmission fee or other charge for the use of its high voltage facilities at the said interconnection pursuant to this Section g. other than such compensation as is stipulated in provision (3) above; and

(5) When Western or its customers connect to the low-voltage bus of Montana-Dakota, Western will compensate Montana-Dakota for use of Montana-Dakota's facilities at the said interconnection based on the proportionate use of said facilities as agreed to in writing between the parties hereto.

h. Western will, upon request, allow Montana-Dakota to attach to the transmission system of Western under the conditions of Provision 5 of Exhibit A to this contract.

POWER AND ENERGY DELIVERIES

6. a. All deliveries of power and energy by either party hereto to the other shall be scheduled in advance, emergencies excepted, in accordance with procedures agreed upon between Montana-Dakota and the Contracting Officer. The procedures shall provide for the adaptation of such schedules to the needs of day-to-day operations. Said procedures shall also specify the conditions under which inadvertent deliveries, which are greater or less than scheduled deliveries, shall be corrected in later deliveries.

b. It is not the intention of the parties hereto that there shall be undesired input by either party into the system of the other by reason of operating conditions on the systems of the parties and if such inflows do occur, the parties hereto shall promptly mitigate or prevent such flows. If such inflows cannot be mitigated or prevented, the parties hereto shall make suitable modification of the provisions of this contract to provide therefor.

OPERATION, MAINTENANCE, AND REPLACEMENT OF MONTANA-DAKOTA'S FACILITIES BY WESTERN

7. a. Western, at the expense of Montana-Dakota, will operate and maintain, and make major repairs, replacements, or modifications on certain facilities of Montana-Dakota installed at the locations specified in Exhibit D. Major repairs, replacements, or modifications are defined as:

installation, labor, and component parts costing in excess of the amount specified for each facility as major repairs in Exhibit D and will normally be performed by Western only on request from Montana-Dakota, except that Western reserves the right to make repairs without notice in emergencies.

b. Montana-Dakota will pay Western in advance for the total cost, including administrative and general expenses, as determined by Western, of operation and maintenance and for major repairs, replacements, or modifications performed by Western for Montana-Dakota as provided for herein. Detailed total cost estimates for routine operation and maintenance to be performed by Western will be furnished on a biennial basis and will normally not be reviewed for adjustment. Montana-Dakota shall reimburse Western pursuant to the Provision 7.d. of Exhibit A for all emergency work it may perform on Montana-Dakota's facilities.

c. For routine operation and maintenance, advance payment will be made on or before September 30 of each year in the amount specified in Exhibit D for each facility, prorated for periods of less than one (1) year on the basis of one-twelfth (1/12) of the annual amount for each month or part thereof that such operation and maintenance service is furnished. The advance payment for routine operation and maintenance for each facility may, at the request of either party be reviewed on the date specified in Exhibit D and at 2-year intervals thereafter. Any revision of the advance of funds for routine operation and maintenance as a result of such review shall become effective as to this contract upon written notice by Western accompanied by supporting data.

d. For major repairs, replacements, or modifications, Western will advise Montana-Dakota of the estimated cost and Montana-Dakota will, upon receipt of such estimate, pay Western in advance the full amount of such estimate. If the cost to Western, including administrative and general expenses allocable thereto, is greater than the amount advanced by Montana-Dakota for major repairs, replacements, or modifications, Montana-Dakota shall pay the difference on demand. If the cost is less than the amount advanced, Western shall refund the difference without any interest whatsoever as soon as the necessary vouchers can be prepared.

REACTIVE POWER

8. a. Montana-Dakota and Western will each provide proper and adequate facilities to normally supply all of its own system requirements of reactive power. If available, either party may obtain reactive power from the other by mutual agreement.

b. Western shall require its customers to maintain a power factor at the points of delivery from the system of Montana-Dakota as provided for herein of not less than ninety-five percent (95%) leading or lagging. The customers of Western may be permitted to operate at a lower power factor when conditions are such, as determined by Montana-Dakota, that a lower power factor will not prevent Montana-Dakota from making full use of its available generating and transmission facilities.

c. It is the intent of the parties hereto that, during periods when Western is supplying Dump, Maintenance, Economy or Replacement energy to Montana-Dakota, Western will supply reactive power to the extent Western

determines it to be available for Montana-Dakota, and that Montana-Dakota will cooperate with Western by using its generating facilities then in operation and other system equipment to minimize the reactive requirements from Western or to supply Western with reactive power when Montana-Dakota determines it is feasible to do so and it is desired by Western. The requirements of Montana-Dakota's system for reactive power or the ability of its system to supply reactive power in connection with the delivery of Dump, Maintenance, Economy or Replacement energy hereunder may be considered by Western in determining the Dump, Maintenance, Economy or Replacement energy available for Montana-Dakota hereunder.

ACCOUNTING FOR POWER AND ENERGY DELIVERIES

9. The accounting for the power and energy delivered hereunder shall be based on amounts scheduled in advance in accordance with Article 6.a., and the representatives of the parties hereto shall establish procedures for making adjustments for departures of actual deliveries from such advance schedules.

PART TWO

TRANSMISSION SERVICE FOR WESTERN

USE OF THE FACILITIES OF MONTANA-DAKOTA

10. a. Montana-Dakota hereby agrees to accept delivery of electric power and energy into its electric transmission system as now or hereafter existing to the extent that Montana-Dakota determines excess capacity is available in said transmission system or to the extent Montana-Dakota has undertaken to make transmission capacity available pursuant to Section b. of this article and to deliver an equivalent amount of electric power and energy adjusted for losses to the Delivery Points specified in Exhibit E. Montana-Dakota agrees to accept power and energy scheduled by Western at the Points of Interconnection specified in Exhibit B or the Emergency Points of Interconnection specified in Exhibit C for transmission and delivery over Montana-Dakota's system to said Delivery Points notwithstanding the origin, source, ownership, or type of generation used to produce such electric power and energy. In furtherance of this agreement, Montana-Dakota will, upon request of Western, make the arrangements necessary to permit such connections to Montana-Dakota's system as may be necessary, as determined by Montana-Dakota, and to receive, transmit, and deliver the electric power and energy of Western upon and over said transmission system pursuant to the terms of this PART TWO.

b. On or before June 30 of each year Western will give Montana-Dakota written notice of the estimated future annual transmission capacity requirements by customer for the ensuing 4-year period. Within

ninety (90) days after receipt of such estimates Montana-Dakota will inform Western in writing of the transmission capacity it will have available in its system for use by Western in meeting such requirements. Thereafter Montana-Dakota shall be obligated to make such capacity of its system available for use by Western to the extent of said estimates for the entire 4-year period. Montana-Dakota will also advise Western of any contemplated changes in its transmission system during any ensuing 4-year period which will affect the ability of Western or its customers to deliver or receive power and energy from Montana-Dakota's system or which will require changes in substation facilities of Western or its customers installed for the delivery or receipt of power and energy to or from the system of Montana-Dakota.

ELECTRIC ENERGY TO BE TRANSMITTED

11. a. Western, under the terms and conditions stipulated in this PART TWO, will furnish at, and Montana-Dakota will transmit from, the Points of Interconnection set forth in Exhibit B, and at the available voltages on Montana-Dakota's transmission system, the electric power and energy to be transmitted under Article 10 hereof. Facilities belonging to Basin Electric Power Cooperative or its members built under the "Interconnection and Common Use Agreement" between Montana-Dakota and said Cooperative shall be considered, for the purpose of administering this PART TWO to be part of the electric transmission system of Montana-Dakota to be used in providing service pursuant to this PART TWO.

b. The electric energy will be furnished and delivered into Montana-Dakota's system in such amounts and at such rates of delivery as

required for transmission to the loads of Western's customers plus losses in transmission equal to seven percent (7%) of the maximum coincidental demand of, and seven percent (7%) of the energy deliveries to, Western's customers from the system of Montana-Dakota. The maximum coincidental demand of the loads of Western's customers shall be determined based on recorded values taken at the time of the maximum coincidental demand for Western's customers on Montana-Dakota's system, or if such information is not available, the maximum coincidental demand on Montana-Dakota's system of the loads of Western's customers shall be taken as ninety-five percent (95%) of the sum of the noncoincident 30-minute rates of delivery to said loads. The electrical load thus added plus the then existing load on Montana-Dakota's system will not exceed the normal capacity of Montana-Dakota's transmission system, as determined by Montana-Dakota. Deliveries that are inadvertently greater or less than requirements for transmission to the loads of Western's customers shall be corrected in later deliveries pursuant to Article 6 hereof.

PAYMENT FOR TRANSMISSION SERVICE

12. a. Western will compensate Montana-Dakota for the transmission and delivery of power and energy for Western provided for under Article 10, exclusive of energy from any other power supplier not for the account of Western in the amount of one mill (\$.001) per kilowatt-hour delivered for Western at the Delivery Points set forth in Exhibit E.

b. At the request of either party, but not less than five (5) years after either the effective date hereof or the last request for reconsideration by either party, the parties hereto shall reconsider the then

effective compensation provided for under Section a. above and, if the parties hereto are unable to agree upon a revised rate of compensation within six (6) months after the date of said request, the then existing rates shall continue in effect. In the event agreement as specified is not reached within said 6-month period, either party may at any time thereafter terminate the provisions of Article 10 of this PART TWO by giving written notice of termination not less than four (4) years in advance of the date of termination.

c. Payment due hereunder will be as provided for under the terms of Article 29.

PART THREE

TRANSMISSION SERVICE FOR MONTANA-DAKOTA

USE OF THE FACILITIES OF WESTERN

*Terminated
by Article 9
of Amendment 1*

~~13. a. Western hereby agrees to accept delivery of electric power and energy into its electric transmission system as now or hereafter existing to the extent that Western determines excess capacity is available in said transmission system or to the extent Western has undertaken to make transmission capacity available pursuant to Section b. of this article and to deliver an equivalent amount of electric power and energy adjusted for losses to other portions of Montana-Dakota's system at the Points of Interconnection and Emergency Point(s) of Delivery specified in Exhibits B and C attached to and made a part of this contract, and at such other points on the system of Western as may be mutually agreed to by the parties hereto.~~

b. On or before June 30 of each year Montana-Dakota will inform Western in writing of the estimated amounts of power and energy by years for the ensuing 4-year period which Montana-Dakota desires, or may desire, Western to deliver hereunder. Within ninety (90) days after receipt of such estimates Western shall give Montana-Dakota written notice of whether Western can deliver the power and energy specified in said estimates. If the reply of Western is in the affirmative, it shall be obligated to make the capacity of its electric system available to deliver said power and energy to the extent of said estimates for the entire 4-year period. Western will also advise Montana-Dakota of any contemplated changes in its transmission system during any ensuing 4-year period which will affect the ability of Montana-Dakota to receive power and energy under this PART THREE.

DELIVERIES OF ELECTRIC POWER AND ENERGY

14. a. Montana-Dakota will furnish the electric power and energy to Western for redelivery, adjusted for losses, at the Points of Interconnection and at the Emergency Points of Delivery at voltages set forth in Exhibits B and C pursuant to this PART THREE.

b. The electric power and energy will be furnished and delivered to Western hereunder in such amount and at such rates of delivery as are required for delivery on behalf of Montana-Dakota under this PART THREE, plus losses in transmission equal to seven percent (7%) of the power and energy deliveries to Montana-Dakota. The electrical load thus added plus the then existing load on the facilities of Western will not exceed the normal capacity thereof, as determined by the Contracting Officer.

DETERMINATION OF AMOUNTS OF POWER AND ENERGY
TRANSMITTED FOR MONTANA-DAKOTA BY WESTERN

15. The amount of power and energy deemed to have been transmitted and delivered by Western for Montana-Dakota in any billing period pursuant to provisions of this PART THREE shall be the sum of the deliveries into Montana-Dakota's system at the applicable Points of Interconnection and Emergency Points of Delivery as specified in Exhibits B and C, less the obligation of Western, including losses, to its customers served from the facilities of Montana-Dakota at said points, less the amounts, including losses, delivered to Montana-Dakota for others for delivery to said customers, less Montana-Dakota's rights as defined by the Basin Electric Power Cooperative and Montana-Dakota Interconnection and Common Use Agreement, the Miles City-New

Underwood 230-kv Transmission Line agreement, and such other future transmission agreements as may be mutually agreed to be included and less Western sales to Montana-Dakota, and any other adjustments required as agreed upon by Montana-Dakota and Western. Such amount shall never be less than zero. Detailed billing procedures will be developed jointly by the parties.

PAYMENT FOR TRANSMISSION SERVICE

16. a. Montana-Dakota will compensate Western for the transmission service provided in this PART THREE, except for transmission of power and energy over the Bismarck-DeVaul 69-kv Transmission Line, in the amount of one mill (\$.001) for each kilowatt-hour transmitted and delivered to Montana-Dakota from the system of Western in any billing month.

b. In the event the compensation to Montana-Dakota is reconsidered pursuant to Article 12.b., the compensation to Western under Section a. of this article and Exhibit D, Section 2, Paragraph C shall be similarly reconsidered, and should Article 10 of PART TWO be terminated pursuant to Article 12.b., this PART THREE shall terminate coincidentally therewith.

c. Payment due hereunder will be as provided for under the terms of Article 29.

PART FOUR
NONFIRM ENERGY TRANSACTIONS
ECONOMY ENERGY

*Sub section
6/7/10
Art Amend 1*

~~17. a. Western and Montana-Dakota may mutually agree to schedule the delivery by Western and receipt by Montana-Dakota, under the provisions of this article, of electric energy for use by Montana-Dakota to supplant operation of generating equipment. The amounts and times of delivery shall be established in such schedules. Western will deliver such energy to Montana-Dakota at mutually agreed to point(s) of delivery. Transfers hereunder will hereinafter be called Economy Energy.~~

b. Delivery of electric energy scheduled as Economy Energy may be terminated by Western in whole or in part with a minimum of one (1) hour notice, by telephone or other means, given to Montana-Dakota's authorized representative.

c. Electric energy scheduled as Economy Energy may be delivered concurrently with other energy deliveries as scheduled.

d. No energy deliveries will be considered as Economy Energy hereunder for billing purposes unless so scheduled for delivery in advance.

e. Montana-Dakota shall compensate Western for the Economy Energy furnished hereunder during any billing period at a rate based upon the pricing for short-term energy sales among power suppliers within the interconnected systems. This rate shall be agreed upon by Western's representative and Montana-Dakota's representative in advance of the transaction. The agreed upon rate shall represent the final billing price for the Economy Energy.

f. Western shall be responsible for the transmission of Economy Energy over its facilities. Arrangements for the use of any non-Western facilities to receive Economy Energy from Western shall be the responsibility of Montana-Dakota.

DUMP ENERGY

18. a. Western and Montana-Dakota may mutually agree to schedule the delivery by Western and receipt by Montana-Dakota, under the provisions of this article, of electric energy for use by Montana-Dakota. The amounts and times of delivery shall be established in such schedules. Western will deliver such energy to Montana-Dakota at mutually agreed to point(s) of delivery. Transfers hereunder will hereinafter be called Dump Energy.

b. Delivery of electric energy scheduled as Dump Energy may be terminated by Western in whole or in part at any time upon notification, by telephone or other means, given to Montana-Dakota's authorized representative.

c. Electric energy scheduled as Dump Energy may be delivered concurrently with other energy deliveries as scheduled.

d. No energy deliveries will be considered as Dump Energy hereunder for billing purposes unless so scheduled for delivery in advance.

e. Montana-Dakota shall compensate Western for the Dump Energy furnished hereunder during any billing period at the rates, charges, and conditions set out in Schedule UM-N1, Schedule of Rates for Sale of Dump Energy, attached hereto and made a part hereof.

f. Inasmuch as the price at which Dump Energy is sold by Western is related to the cost of fuel saved by Montana-Dakota through the use of such Dump Energy, and the price may be a factor in the determination of the availability of Dump Energy to Montana-Dakota, Montana-Dakota will keep the Contracting Officer advised at all times, to the extent and in the detail that the contracting officer shall require, of the approximate decremental cost of fuel in each of its generating units, and of the units from which generation is being displaced.

MAINTENANCE ENERGY

19. a. The parties hereto may mutually agree to schedule the delivery by Western and receipt by Montana-Dakota, under the provisions of this article, of electric energy, hereinafter called Maintenance Energy, for meeting Montana-Dakota's load requirements during periods of maintenance of its generating units or transmission facilities. Western shall normally be obligated to deliver said energy to Montana-Dakota in the amounts and at the times of delivery established in such schedules unless they are cancelled or later modified by mutual agreement. Western will deliver such energy to Montana-Dakota at mutually agreed to point(s) of delivery. Any special withdrawal provisions shall be stated in schedules when made.

b. Unless otherwise established by mutually agreeable schedules, delivery of Maintenance Energy hereunder shall normally be at a pattern the same as, or similar to, the generating pattern of Montana-Dakota's generating unit that is out of service for maintenance.

c. No energy deliveries will be considered as Maintenance Energy hereunder for billing purposes unless so scheduled for delivery in advance.

d. Montana-Dakota shall compensate Western for the Maintenance Energy furnished hereunder during any billing period under the terms and conditions set forth in Exhibit F attached hereto, as revised or amended, and under the applicable rate set forth therein, as revised or amended.

REPLACEMENT ENERGY

20. a. Western and Montana-Dakota may mutually agree to schedule the delivery by Western and receipt by Montana-Dakota, under the provisions of this article, of electric energy for use by Montana-Dakota to supplant operation of generating equipment. The amounts and times of delivery shall be established in such schedules. Western will deliver such energy to Montana-Dakota at mutually agreed to point(s) of delivery. Transfers hereunder will hereinafter be called Replacement Energy.

b. Electric energy scheduled as Replacement Energy may be delivered concurrently with other energy deliveries as scheduled.

c. No energy deliveries will be considered as Replacement Energy hereunder for billing purposes unless so scheduled for delivery in advance.

d. Montana-Dakota shall compensate Western for the Replacement Energy furnished hereunder during any billing period under the terms and conditions set forth in Exhibit G attached hereto, as revised or amended, and under the applicable rate set forth therein, as revised or amended.

e. Inasmuch as the price at which Replacement Energy is sold by Western is related to the cost of fuel saved by Montana-Dakota through the use

of such Replacement Energy, and the price may be a factor in the determination of the availability of Replacement Energy to Montana-Dakota, Montana-Dakota will keep the Contracting Officer advised at all times, to the extent and in the detail that the Contracting Officer shall require, of the approximate decremental cost of fuel in each of its generating units, and of the units from which generation is being replaced.

BREAKDOWN OR EMERGENCY ENERGY

21. a. In the event of a breakdown or emergency on the system of Montana-Dakota, Western shall make every effort to supply, during the period of such breakdown or emergency, all necessary energy, hereinafter referred to as Breakdown or Emergency Energy, so far as Western determines it can do so consistent with Western's obligations to its other customers and consistent with its arrangements with transmission agents.

b. Montana-Dakota shall compensate Western for Breakdown or Emergency Energy furnished hereunder during any billing period under the terms and conditions set forth in Exhibit H attached hereto, as revised or amended, and under the applicable rate set forth therein, as revised or amended.

INTERCHANGE OF ENERGY

22. a. By mutual agreement the parties hereto may interchange surplus energy. Such energy shall be credited to the supplier in an Interchange Energy account. A record of energy interchanges shall be maintained by each party, and no energy deliveries by one party to the other party shall be deemed to be Interchange Energy unless prior agreement for such delivery has been made between the duly authorized representatives of the parties hereto.

b. Interchange Energy delivered by either party to the other under the terms of this article shall normally be returned kilowatt-hour for kilowatt-hour or on another exchange ratio mutually agreed to by the parties. Interchange Energy shall be returned at point(s) of delivery, and at scheduled times and rates of delivery mutually agreed to before such interchange.

c. Upon termination of this contract, or by mutual agreement of the parties hereto at any time during the term hereof, the net balance in the Interchange Energy account shall be settled by payment to the creditor party at a rate as mutually agreed to by the parties. When accounts remain unbalanced to the same creditor for a period greater than one (1) year, then that creditor may demand that the Interchange Energy account be brought into balance by payment as provided above or in a manner mutually agreed to by the parties.

PURCHASE OF ELECTRIC ENERGY BY WESTERN

23. Western and Montana-Dakota may mutually agree to schedule the delivery by Montana-Dakota and receipt by Western, under the provisions of this article, of electric energy for use by Western. Montana-Dakota will deliver such energy to Western at mutually agreed to points of delivery. Western agrees to pay Montana-Dakota for all such electric energy furnished by Montana-Dakota using either of the following rates as mutually agreed at the time of the purchase:

a. a rate offered by Montana-Dakota and accepted by the Contracting Officer or the Contracting Officer's authorized representative.

Such rate shall not be less than Montana-Dakota's incremental cost of producing or acquiring the energy and may also include an adder which shall not exceed 14.7 mills/kwh. The rate shall be agreed upon prior to delivery and shall represent the final price for the purchased energy.

b. a rate equal to one hundred and fifteen percent (115%) of the incremental costs incurred to generate the energy supplied. Montana-Dakota shall furnish the Contracting Officer from time to time such data as, in the opinion of the Contracting Officer, may be required to establish such incremental costs.

PART FIVE

GENERAL PROVISIONS

MEASUREMENT OF ELECTRIC POWER AND ENERGY

24. a. Except as otherwise provided in Exhibit D, metering equipment to measure the electric power and energy delivered into and received from Montana-Dakota's system will be installed and maintained at or near the Points of Interconnection and at the voltages specified in Exhibit B for such interconnection and as set forth in Provision 3 of Exhibit A. The party owning the meter at each point of measurement agrees to read or make provision for reading such meter monthly, and at such other times as may be required under the operation of this contract; to submit a copy of said readings to the other party for its records, and to service and maintain its recording meters, and to make the recorded information available to the other party upon request.

b. With respect to the electric power and energy transmitted over and delivered from the system of Montana-Dakota on behalf of Western pursuant to PART TWO hereof:

(1) Such electric power and energy shall be measured at the voltage of the transmission line from which it is delivered to Western's customers at or near the Point of Delivery of such electric power and energy, by metering equipment to be furnished and maintained by Western. Such power and energy delivered at any Point or Points of Delivery may, at the option of Western, be measured on the low-voltage side of substations at or near said Point of Delivery, in which event the meter readings at said Point of Delivery will be increased by an amount as

agreed to in writing by the parties hereto in order to compensate for transformer losses. If such power and energy delivered at any Point of Delivery is transmitted an appreciable distance before it is measured, the meter readings at said Point of Delivery will be increased by an amount to be agreed upon in writing by the parties hereto in order to compensate for transmission losses between the Point of Delivery and the point of measurement, except where the metering equipment automatically adjusts for such losses.

(2) Western or its designee will read all meters on the last day of each billing period and at other times as required in connection with any other service provided hereunder, and a copy of all readings will be furnished to Montana-Dakota for its records.

CONTROL AND MAINTENANCE OF MONTANA-DAKOTA'S
TRANSMISSION SYSTEM

25. The electric transmission system of Montana-Dakota shall at all times be and remain in the exclusive possession and control of Montana-Dakota, and this contract shall not be construed to grant to Western any rights of ownership in or possession of said electric transmission system. Montana-Dakota shall operate and maintain said electric transmission system in good and satisfactory operating condition.

CONTROL AND MAINTENANCE OF WESTERN'S
TRANSMISSION SYSTEM

26. The electric transmission system of Western shall at all times be and remain in the exclusive possession and control of Western, and this

contract shall not be construed to grant Montana-Dakota any rights of ownership in or possession of said electric transmission system. Western will operate and maintain said electric transmission system in good and satisfactory operating condition.

SERVICE UNDER EMERGENCY CONDITIONS

27. When, because of conditions on the power system of either party hereto resulting from causes the same as or similar to the types specified in the Continuity of Service Provision of Exhibit A, the system of the party affected by such conditions is temporarily unable to supply the requirements of its customers and, in addition, deliver from its system energy pursuant to PART TWO hereof or PART THREE hereof as may be applicable, necessary curtailment of the loads will be effected in a manner that will cause the least hardship to the entire area affected, without regard to the party serving the customer. General procedures for effecting necessary curtailment shall be agreed upon in advance by the Contracting Officer and Montana-Dakota.

EXHIBITS MADE PART OF CONTRACT

28. Exhibits A through H shall become a part of this contract during the term fixed by their provisions. Exhibits A through H are attached hereto and each shall be in force and effect in accordance with its terms until respectively superseded by a subsequent exhibit.

SPECIAL BILLING PROVISIONS

29. The parties hereto agree that Western will prepare a net bill monthly as provided in Provision 4 of Exhibit A.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed the day and year first above written.

WESTERN AREA POWER ADMINISTRATION

By

James Davies
Title Area Manager

Address P.O. Box 35800

Billings, MT 59107-5800

(SEAL)

MONTANA-DAKOTA UTILITIES CO.
A DIVISION OF MDU RESOURCES GROUP, INC.

By

Joseph R. Meachel
Title President

Address 400 North Fourth Street

Bismarck, ND 58501

Attest:

By

Lester H. Loble, II
Title LESTER H. LOBLE, II, SECRETARY

EXHIBIT A
(Applicable General Power Contract Provisions)

1. This Exhibit A made this 1st day of July, 1988, to be effective under and as a part of Contract No. 88-BAO-308, dated July 1, 1988 (hereinafter called the contract), shall become effective on the date of initial service under the contract and shall remain in effect until either superseded by another Exhibit A or by the termination of the contract.

2. Applicability

Specific terms set forth in the contract have precedence over any provision herein.

3. Delivery of Service

a. Character of Service

Electric energy supplied or transmitted under the contract will be three-phase, alternating current, at a nominal frequency of sixty (60) hertz (cycles per second).

b. Continuity of Service

Electric service will be supplied or transmitted continuously except for:

- (1) interruptions, or reductions due to uncontrollable forces, as defined in paragraph 7.a. herein;
- (2) interruptions, or reductions due to operation of devices installed for power system protection; and
- (3) temporary interruptions or reductions which, in the opinion of the party supplying the service, are necessary or desirable for the purposes of maintenance, repairs, replacements, installation of equipment, or investigation and inspection. The party supplying service, except in case of emergency, will give the party to whom service is being provided reasonable advance notice of such temporary interruptions or reductions and will remove the cause thereof with diligence.

c. Metering

- (1) The total electric power and energy supplied or transmitted under the contract will be measured by metering equipment to be furnished and maintained by Western or by Montana-Dakota acting as the designated representative of

Western. Montana-Dakota shall ensure that metering equipment furnished and maintained by Montana-Dakota or another power supplier, as provided in the contract, meets the metering standards of Western if such metering equipment will be used for billing or other accounting purposes by Western. Western shall ensure that metering equipment furnished and maintained by it shall meet the metering standards of Montana-Dakota if such metering equipment will be used for billing or other accounting purposes by Montana-Dakota.

- (2) Meters shall be sealed and the seals shall be broken only upon occasions when the meters are to be inspected, tested, or adjusted, and representatives of the interested parties shall be afforded reasonable opportunity to be present upon such occasions. Metering equipment shall be inspected and tested at least once each year by the party responsible for meter maintenance and at any reasonable time upon request by either party hereto. Any metering equipment found to be damaged, defective, or inaccurate shall be repaired and readjusted or replaced by the party responsible for meter maintenance. Meters found with broken seals shall be tested for tampering and, if appropriate, meter readings shall be adjusted by Western or Montana-Dakota pursuant to paragraph c. (3) below.
- (3) Except as otherwise provided in paragraph c.(4) below, should any meter that is needed by the parties hereto for billing or other accounting purposes fail to register accurately, the electric power and energy supplied or transmitted during such period of failure to register accurately, shall, for billing purposes, be estimated from the best available information.
- (4) If acceptable inspections and tests of a meter needed by Western or Montana-Dakota for billing or other accounting purposes disclose an error exceeding two percent (2%), then correction based upon the inaccuracy found shall be made of the records of services furnished during the period that such inaccuracy has existed, as determined by Western or Montana-Dakota. If such period of inaccuracy cannot be determined, correction shall be made for the period beginning with the monthly billing period immediately preceding the billing period during which the test was made.
- (5) Any correction in billing resulting from correction in meter records shall normally be made in the next monthly bill. Payment of such bill shall constitute full adjustment of any claim between the parties hereto arising out of inaccuracy of metering equipment.

4. a. Billing and Payment

- (1) Payments due Western by Montana-Dakota shall be offset against payments due Montana-Dakota by Western for the sale or exchange of electric power and energy, use of transmission facilities, operation and maintenance of

electric facilities, and other services. For services included in net billing procedures, payments due one party in any month shall be offset against payments due the other party in such month, and the resulting net balance shall be paid to the party in whose favor such balance exists. The parties shall exchange such reports and information that either party requires for billing purposes. Net billing shall not be used for any amounts due which are in dispute.

- (2) Payments are due and payable on the first day of the month immediately succeeding the date of the net bill or within twenty days of the posting of the bill or the next business day thereafter if said day is a Saturday, Sunday or a Federal Holiday.

b. Nonpayment of Bills in Full When Due

- (1) Bills not paid in full by either party by the due date specified herein shall bear an initial charge of two percent (2%) of the amount unpaid. Each day thereafter, a charge of five hundredths percent (0.05%) of the principal sum unpaid shall be added until the amount due, including the two percent (2%) initial charge, is paid in full. Payments received will first be applied to the charges for late payment assessed on the principal and then to payment of the principal.
- (2) Either party shall have the right, upon not less than fifteen (15) days advance written notice, to discontinue furnishing the services specified in the contract, for nonpayment of bills in full when due, and to refuse to resume such services so long as any part of the amount due remains unpaid. Such a discontinuance of service will not relieve either party of liability for minimum charges during the time service is so discontinued. The rights conferred hereby shall be in addition to all other remedies available either at law or in equity, for the breach of any terms hereof.

5. Facilities (Interconnection Requested by Montana-Dakota)

a. Design Approval

All facilities, construction, and installation by Montana-Dakota pursuant to the contract shall be subject to the approval of Western. Facilities interconnections shall normally conform to Western's current "General Requirements for Interconnection," in effect upon the signing of the contract document providing for each interconnection, copies of which are available from the Contracting Officer. At least ninety (90) days, unless otherwise agreed, prior to the date Montana-Dakota proposes to commence construction or to incur an obligation to purchase facilities to be installed pursuant to the contract, whichever date is the earlier, Montana-Dakota shall submit, for the approval of Western, detailed designs, drawings, and specifications of the facilities Montana-Dakota proposes to purchase, construct, and install.

Montana-Dakota assumes all risks for construction commenced or obligations to purchase facilities incurred prior to receipt of approval from Western. Western review and approval of designs and construction work in no way implies that Western is certifying that the designs meet Montana-Dakota needs.

b. Inspection and Acceptance

Western shall have the right to inspect the materials and work furnished by Montana-Dakota, its agents, employees, and subcontractors pursuant to the contract. Such inspections shall be at reasonable times at the worksite. Any materials or work that the Contracting Officer determines is defective or not in accordance with designs, drawings, and specifications, as approved by Western, shall be replaced or modified, as directed by Western, at the sole expense of Montana-Dakota before the new facilities are energized.

c. As-Built Drawings

Within a reasonable time, as determined by the Contracting Officer, after the completion of construction and installation of facilities pursuant to the contract, Montana-Dakota shall submit to Western marked as-built prints of all Western drawings affected by changes made pursuant to the contract and reproducible drawings Montana-Dakota has prepared showing facilities of Western. Montana-Dakota drawings of Western facilities shall use drawing title blocks, drawing numbers, and shall be prepared in accordance with drafting standards all as approved by the Contracting Officer. Western may prepare, revise, or complete said drawings and bill Montana-Dakota if Montana-Dakota fails to provide such drawings to Western within a reasonable time as determined by the Contracting Officer.

d. Equipment Ownership Markers

- (1) Montana-Dakota shall identify all movable equipment and, to the extent agreed upon by the parties, all other Montana-Dakota owned salvable facilities constructed or installed on United States right-of-way or in Western substations, by permanently affixing thereto suitable markers clearly identifying Montana-Dakota as the owner of said equipment and facilities.
- (2) If requested by Montana-Dakota, Western shall identify all movable equipment and, to the extent agreed upon by the parties, all other United States owned salvable facilities constructed or installed on Montana-Dakota right-of-way or in Montana-Dakota's substations, by permanently affixing thereto suitable markers clearly identifying the United States as the owner of said equipment and facilities.

e. Third-Party Use of Facilities

Montana-Dakota shall notify Western of any proposed system change relating to the

facilities governed by the contract or allowing third-party use of the facilities governed by the contract. If Western notifies Montana-Dakota that said system change will, as solely determined by the Contracting Officer, adversely affect the operation of Western's system, Montana-Dakota shall, at no cost to Western, provide a solution to said adverse effect acceptable to Western.

f. Changes to Western Control Facilities

If at any time during the term of the contract, the Contracting Officer determines that changes or additions to control, relay, or communications facilities are necessary to maintain the reliability or control of Western's transmission system, and said changes or additions are entirely or partially required because of Montana-Dakota's equipment installed under the contract, such changes or additions shall, after consultation with Montana-Dakota, be made by Western with all costs or a proportionate share of all costs, as determined by the Contracting Officer, to be paid by Montana-Dakota. The Contracting Officer shall notify Montana-Dakota in writing of the necessary changes or additions and the estimated costs to be paid by Montana-Dakota. If Montana-Dakota fails to pay its share of said estimated costs, the Contracting Officer shall have the right, after giving sixty (60) days' written notice to Montana-Dakota, to terminate the applicable facility installation provisions of the contract and require the removal of Montana-Dakota facilities.

g. Modifications of Western Facilities

Western reserves the right, at any time, to modify its facilities. Western shall keep Montana-Dakota informed of all planned modifications to Western facilities which impact the facilities installation pursuant to the contract. Western shall permit Montana-Dakota to change or modify its facilities, in a manner satisfactory to and at no cost or expense to Western, to retain the facilities interconnection pursuant to the contract. At Montana-Dakota's option, Western shall cooperate with Montana-Dakota in planning alternate arrangements for service which shall be implemented at no cost or expense to Western. Montana-Dakota and Western shall modify the contract, as necessary, to conform to the new facilities arrangements.

h. Transmission Rights

If the contract involves an installation which sectionalizes a Western transmission line, Montana-Dakota hereby agrees to provide a transmission path to Western across such sectionalizing facilities at no cost or expense to Western. Said transmission path shall be at least equal, in terms of capacity and reliability, to the path in the Western transmission line prior to the installation pursuant to the contract.

i. Construction and Safety Procedures

- (1) Montana-Dakota hereby acknowledges that it is aware of the hazards inherent in high-voltage electric lines and substations, and hereby assumes full

responsibility at all times for the adoption and use of necessary safety measures required to prevent accidental harm to personnel engaged in the construction, inspection, testing, or removal activities of Montana-Dakota pursuant to the contract. Montana-Dakota and the authorized employees, agents, and subcontractors of Montana-Dakota shall comply with all applicable safety laws and building and construction codes, including the provisions of Western's current "Power Systems Safety Manual," "Construction, Safety, and Health Standards," and "Power Systems Clearance Procedures" in effect upon the signing of the contract.

In lieu of the safety program required herein, Montana-Dakota may provide sufficient information to demonstrate that Montana-Dakota's safety program is satisfactory to the United States.

- (2) Montana-Dakota and its authorized employees, agents, and subcontractors shall familiarize themselves with the location and character of all the transmission facilities of Western and interconnections of others relating to the construction work performed by Montana-Dakota under the contract. Prior to starting any construction, installation, or removal work, Montana-Dakota shall submit a plan of procedure to Western which shall indicate the sequence and method of performing the work in a safe manner. No work shall be performed by Montana-Dakota, its employees, agents, or subcontractors until written authorization to proceed is obtained from the Contracting Officer.
- (3) At all times when Montana-Dakota, its employees, agents, or subcontractors are performing activities of any type pursuant to the contract, such activities shall be under supervision of a qualified employee, agent, or subcontractor of Montana-Dakota who shall be authorized to represent Montana-Dakota in all matters pertaining to the activity being performed. Montana-Dakota and Western will keep each other informed of the names of their designated representatives at the construction site.
- (4) Upon completion of its work, Montana-Dakota shall remove from the vicinity of the right-of-way of the United States all buildings, rubbish, used materials, concrete forms, and other like material belonging to it or used under its direction during construction or installation, and in the event of failure to do so the same may be removed by Western at the expense of Montana-Dakota.
- (5) In the event Montana-Dakota, its employees, agents, or subcontractors fail to comply with any provision of this paragraph 5.i., or paragraph 5.b. herein, the Contracting Officer or an authorized representative may issue an order to stop all or any part of the work until such time as Montana-Dakota demonstrates compliance with the provision at issue. Montana-Dakota, its employees, agents, or subcontractors shall make no claim for compensation or damages resulting from such work stoppage.

6. Facilities (Interconnection Requested by Western)

a. Design Approval

All facilities, construction and installation by Western pursuant to the contract shall be subject to the approval of Montana-Dakota. At least ninety (90) days, unless otherwise agreed, prior to the date Western proposes to commence construction or to incur an obligation to purchase facilities to be installed pursuant to the interconnection agreement, which ever date is earlier, Western shall submit, for the approval of Montana-Dakota, detailed designs, drawings and specifications of the facilities Western proposes to purchase, construct and install. Western assumes all risks for construction commenced or obligations to purchase facilities incurred prior to receipt of approval from Montana-Dakota. Western's designs, drawings and specifications shall be deemed to have been approved by Montana-Dakota if Montana-Dakota does not provide a written response of conditions of approval thirty (30) days prior to the date Western proposes to commence construction. Montana-Dakota's review and approval of designs, drawings and specifications in no way implies that Montana-Dakota is certifying that the designs meet Western's needs or requirements of the National Electrical Safety Code, Federal, State or Local laws applicable to the interconnection.

b. Inspection and Acceptance

Montana-Dakota shall have the right to inspect the materials and work furnished by Western, its agents, employees and subcontractors. Such inspections shall be at reasonable times at the work site. Any materials or work that Montana-Dakota determines is defective, or not in accordance with designs, drawings and specifications, as approved by Montana-Dakota, shall be replaced or modified, as required to conform to the designs, drawings, and specifications as approved, at the sole expense of Western before the new facilities are energized.

c. As-Built Drawings

Within a reasonable time, as determined by Montana-Dakota after the completion of construction and installation of facilities, Western shall submit to Montana-Dakota marked "as-built" prints of all Montana-Dakota drawings affected by changes made to complete the interconnection and reproducible drawings Western has prepared showing the facilities of Montana-Dakota. If requested by Montana-Dakota, Western's drawings of Montana-Dakota's facilities shall use drawing title blocks, drawing numbers and shall be prepared in accordance with drafting standards approved by Montana-Dakota. Montana-Dakota may prepare, revise or complete said drawings and bill Western if Western failed to provide such drawings to Montana-Dakota within a reasonable time as determined by Montana-Dakota.

d. Equipment Ownership Markers

- (1) Western shall identify all movable equipment and, to the extent agreed upon by the parties, all other United States owned salvable facilities constructed or installed on Montana-Dakota's right-of-way or in Montana-Dakota Substations, by permanently affixing thereto suitable markers clearly identifying Western as the owner of said equipment and facilities.
- (2) If requested by Western, Montana-Dakota shall identify all movable equipment and to the extent agreed upon by the parties, all other Montana-Dakota owned salvable facilities constructed or installed on Western's right-of-way or in Western's Substations, by permanently affixing thereto suitable markers clearly identifying Montana-Dakota as the owner of said equipment and facilities.

e. Operation and Maintenance of Western's Power System

Western must operate and maintain its power system in a manner which will not degrade the reliability or operating flexibility of Montana-Dakota's power system or other interconnected power systems and shall not reduce the capability of Montana-Dakota's line in its existing and probable future power system function.

f. Third-Party Use of Facility

Western shall notify Montana-Dakota of any proposed system change relating to the facilities governed by the interconnection agreement or allowing third-party use of the facilities governed by the interconnection agreement. If Montana-Dakota notifies Western that said system change, as solely determined by Montana-Dakota, adversely affects the operation of Montana-Dakota's system, Western shall, at no cost to Montana-Dakota, provide a solution to said adverse effect acceptable to Montana-Dakota.

g. Changes to Control Facilities

If Montana-Dakota determines that changes or additions to control, relay, or communications facilities are necessary to maintain the reliability or control of Montana-Dakota's transmission system, and said changes or additions are entirely or partially required because of Western's facilities and equipment, such changes or additions shall, after consultation with Western, be made by Montana-Dakota with all cost or a proportionate share of all cost, as determined by Montana-Dakota, to be paid by Western. Montana-Dakota shall notify Western in writing of the necessary changes or additions, the estimated cost thereof and when installation must be completed. If Western fails to pay its share of said estimated cost, Montana-Dakota shall have the right, after giving sixty (60) days written notice to Western, to terminate the applicable facility installation and require removal of Western's facilities.

h. Modification of Montana-Dakota Facilities

Montana-Dakota reserves the right, at any time, to modify its facilities. Montana-Dakota shall keep Western informed of all planned modifications to Montana-Dakota facilities which impact Western facilities. Montana-Dakota shall permit Western to change or modify its facilities, in a manner satisfactory to and at no cost or expense to Montana-Dakota, to retain the interconnection facilities. At Western's option, Montana-Dakota shall cooperate with Western in planning alternate arrangement for service which shall be implemented at no cost or expense to Montana-Dakota. Montana-Dakota and Western shall modify the interconnection agreement, as necessary, to conform to the new facilities arrangements.

i. Transmission Rights

If the interconnection agreement involves an installation which sectionalizes a Montana-Dakota transmission line, Western hereby agrees to provide a transmission path to Montana-Dakota across such sectionalizing facilities at no cost or expense to Montana-Dakota. Said transmission path shall be at least equal, in terms of capacity and reliability, to the path in the Montana-Dakota transmission line prior to the interconnection installation.

j. Construction and Safety Procedures

- (1) Western hereby acknowledges that it is aware of the hazards inherent in high voltage electric lines and substations, and hereby assumes full responsibility at all times for the adoption and use of necessary safety measures required to prevent accidental harm to personnel engaged in the construction, inspection, testing or removal activities of Western. Western and the authorized employees, agents and subcontractors of Western shall comply with all applicable safety laws and building and construction codes.
- (2) Western and its authorized employees, agents and subcontractors shall familiarize themselves with the location and character of all the transmission facilities of Montana-Dakota and interconnections of others relating to the construction work performed by Western. Prior to starting any construction, installation or removal work, Western shall submit a plan of procedure to Montana-Dakota which shall indicate the sequence and method of performing the work in a safe manner. No work shall be performed by Western, its employees, agents or subcontractors until authorization to proceed is obtained from Montana-Dakota.

Montana-Dakota shall make any alterations to its transmission facility required for installation of the interconnect and shall connect Western's

facility to its transmission facility, all at the sole expense of Western.

- (3) Upon completion of its work, Western shall remove from the vicinity of the right-of-way of Montana-Dakota all buildings, rubbish, used materials, concrete forms and other like material belonging to it for use under its direction during construction or installation, and in the event of failure to do so the same may be removed by Montana-Dakota at the expense of Western.
- (4) In the event Western, its employees, agents or subcontractors fail to comply with any provision of this section 6, Montana-Dakota may issue an order to stop all or any part of the work until such time as Western demonstrates compliance with the provision and issue. Western, its employees, agents or subcontractors shall make no claim for compensation or damages resulting from such work stoppage.

7. General Provisions

a. Uncontrollable Forces

Neither party shall be considered to be in default in performance of any of its obligations under the contract, except to make payment as specified in Article 29 of the contract, when a failure of performance shall be due to an uncontrollable force. The term "uncontrollable force" means any cause beyond the control of the party affected, including but not restricted to, failure of or threat of failure of facilities, flood, earthquake, storm, fire, lightning, epidemic, war, riot, civil disturbance or disobedience, labor, dispute, labor or material shortage, sabotage, restraint by court order or public authority and action or nonaction by, or failure to obtain the necessary authorizations or approvals from any governmental agency or authority, which by exercise of due diligence such party could not reasonably have been expected to avoid and which by exercise of due diligence it shall be unable to overcome. Nothing contained herein shall be construed to require a party to settle any strike or labor dispute in which it may be involved. Either party rendered unable to fulfill any of its obligations under the contract by reason of an uncontrollable force shall give prompt written notice of such fact to the other party and shall exercise due diligence to remove such inability with all dispatch.

b. Liability

- (1) Montana-Dakota hereby agrees to indemnify and hold harmless the United States, its employees, agents, or subcontractors, from any loss or damage and from any liability on account of personal injury, death, or property damage, or claims for personal injury, death, or property damage of any nature whatsoever and by whomsoever made arising out of Montana-Dakota, its employees', agents', or subcontractors', construction, operation, maintenance, or replacement activities under the contract.

- (2) The United States is liable only for negligence on the part of its officers and employees in accordance with the Federal Tort Claims Act, as amended.

c. Environmental Compliance

Facilities to be constructed under the contract by any party shall be constructed subject to compliance with laws, executive orders, and regulations applicable to that party, including the National Environmental Policy Act of 1969 and the Archeological Resources Protection Act of 1979.

d. Cooperation of Contracting Parties

If, in the operation and maintenance of their respective power systems or electrical equipment and the use thereof for the purposes of the contract, it becomes necessary by reason of any emergency or extraordinary condition for either party to request the other to furnish personnel, materials, tools and equipment for the accomplishment thereof, the party so requested shall cooperate with the other and render such assistance as the party so requested may determine to be available. The party making such request, upon receipt of properly itemized bills from the other party, shall reimburse the party rendering such assistance for all costs properly and reasonably incurred by it in such performance, including administrative and general expenses, such costs to be determined on the basis of current charges or rates used in its own operations by the party rendering assistance. Western shall pay bills issued by Montana-Dakota for services provided as soon as the necessary vouchers can be prepared, which shall normally be within twenty (20) days.

e. Transfer of Interest in Contract by Montana-Dakota

No voluntary transfer of the contract or of the rights of Montana-Dakota under the contract shall be made without the written approval of the Administrator of Western; except that if Montana-Dakota operates a project financed in whole or in part by the Rural Electrification Administration, Montana-Dakota may transfer or assign its interest in the contract to the Rural Electrification Administration or any other department or agency of the Federal Government without such written approval. Any successor to or assignee of the rights of Montana-Dakota, whether by voluntary transfer, judicial sale, foreclosure sale, or otherwise, shall be subject to all the provisions and conditions of the contract to the same extent as though such successor or assignee were Montana-Dakota under the contract. The execution of a mortgage or trust deed, or judicial or foreclosure sales made thereunder, shall not be deemed voluntary transfers within the meaning of this article.

f. Waivers

Any waivers at any time by either party to the contract of its rights with respect to a default or any other matter arising under or in connection with the contract shall not

be deemed a waiver with respect to any subsequent default or matter.

g. Notices

Any notice, demand, or request required by the contract or the provisions or these articles to be in writing shall be considered properly given when delivered in person, or sent by either registered or certified mail, postage prepaid, or prepaid telegram addressed to each party's authorized representative at the principal offices of the party. The designation of the person to be notified may be changed at any time by similar notice.

h. Contingent Upon Appropriations

Where activities provided for in the contract extend beyond the current fiscal year, continued expenditures by the United States are contingent upon Congress making the necessary appropriations required for the continued performance of the United States obligations under the contract. In case such appropriation is not made, Montana-Dakota hereby releases the United States from; its contractual obligations and from all liability due to the failure of Congress to make such appropriation.

i. Officials Not to Benefit

No member of or delegate to Congress or Resident Commissioner shall be admitted to any share or part of the contract or to any benefit that may have arisen from the contract, but this restriction shall not be construed to extend to the contract if made with a corporation or company for its general benefit.

j. Covenant Against Contingent Fees

Montana-Dakota warrants that no person or selling agency has been employed or retained to solicit or secure the contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by Montana-Dakota for the purpose of securing business. For breach or violation of this warranty, Western shall have the right to annul the contract without liability or in its discretion to deduct from the contract price or consideration the full amount of such commission, percentage, brokerage, or contingent fee.

k. Operating Guidelines and Procedures

Montana-Dakota and the Contracting Officer may agree upon and put into effect from time to time, such other written guidelines and procedures as may be required in order to establish the methods of operation of the power system to be followed in the performance of the contract.

1. Contract Work Hours and Safety Standards

The contract, to the extent that it is of a character specified in the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333), (the Act), is subject to the following terms and all other applicable provisions and exceptions of the Act and the regulations of the Secretary of Labor.

(1) Overtime Requirements

A Contractor or subcontractor shall not require or permit any laborer or mechanic to work in excess of 40 hours in any workweek on any part of the contract work subject to the Act unless the laborer or mechanic receives compensation at a rate not less than 1 1/2 times the basic rate of pay for all hours worked in excess of 40 hours in any workweek.

(2) Violation, Liability for Unpaid Wages, and Liquidated Damages

If the terms of paragraph 1.(1) above are violated, Montana-Dakota and any subcontractor responsible for the violation shall be liable to any affected employee for unpaid wages. In addition, Montana-Dakota and subcontractor shall be liable to the United States for liquidated damages. These damages are computed for each individual laborer or mechanic at \$10 for each calendar day on which the employee was required or permitted to be employed in violation of paragraph 1.(1) above.

(3) Withholding for Unpaid Wages and Liquidated Damages.

The Contracting Officer may withhold from Montana-Dakota, from any moneys payable on account of work performed by Montana-Dakota or any subcontractor, such amounts as may administratively be determined to be necessary to satisfy any liabilities of Montana-Dakota or subcontractor for unpaid wages and liquidated damages as provided in paragraph 1.(2) above.

(4) Subcontracts

Montana-Dakota and the subcontractor shall insert paragraphs 1.(1) through 1.(4) of this article in all subcontracts.

(5) Records

Montana-Dakota shall maintain payroll records containing the information specified in 29 CFR 516.2(a). These records shall be preserved for 3 years from contract completion. Montana-Dakota will make the records available for inspection by authorized representatives of the Contracting Officer and the Department of Labor, and will permit such representatives to interview employees during working hours on the job.

m. Equal Employment Practices

During the performance of the contract, and to the extent required by applicable law, Montana-Dakota agrees as follows:

- (1) Montana-Dakota will not discriminate against any employee or applicant for employment because of race, color, religion, sex, age, or national origin. Montana-Dakota will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, age, or national origin. Such action shall include, but not be limited to, the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Montana-Dakota agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Contracting Officer setting forth the provisions of this Article.
- (2) Montana-Dakota will, in all solicitations or advertisements for employees placed by or on behalf of Montana-Dakota, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, age, or national origin.
- (3) Montana-Dakota will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency Contracting Officer, advising the labor union or workers' representative of Montana-Dakota commitments under this paragraph, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- (4) Montana-Dakota will comply with all provisions of Executive Order No.11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor and to the Age Discrimination Act of 1967 as amended by Public Law 93-259 of April 18, 1974.
- (5) Montana-Dakota will furnish all information and reports required by Executive Order No.11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the Contracting Officer and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- (6) In the event Montana-Dakota fails to comply with any of the provisions of this article, the contract may be cancelled, terminated, or suspended, in whole or in part, and Montana-Dakota may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No.11246

of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No.11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

- (7) Montana-Dakota will include the provisions of paragraphs m.(1) through m.(7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No.11246 or September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. Montana-Dakota will take such action with respect to any subcontract or purchase order as the Contracting Officer may direct as a means of enforcing such provisions, including sanctions for noncompliance. In the event Montana-Dakota becomes involved in, or is, threatened with, litigation with a subcontractor or vendor as a result of such directions by the Contracting Officer, Montana-Dakota may request the United States to enter into such litigation to protect the interests of the United States.

n. Use of Convict Labor

Montana-Dakota agrees not to employ any person undergoing sentence of imprisonment in performing the contract except as provided by 18 U.S.C. 4082(c)(2) and Executive Order 11755, December 29,1973.

o. Effect of Section Headings

Section headings or article titles appearing in the contract or these General Power Contract Provisions are inserted for convenience only and shall not be construed as interpretations of text.

EXHIBIT B
(Interconnections)

1. This Exhibit B made this 1st day of July, 1988, to be effective under and as a part of Contract No. 88-BAO-308, dated July 1, 1988, (hereinafter called the contract) shall become effective on the date of initial service under the contract and shall remain in effect until either superseded by another Exhibit B or by the termination of the contract.

POINTS OF INTERCONNECTION

2. The Points of Interconnection shall be at the locations specified below where the circuits of Montana-Dakota are attached to the circuits of Western as described in Exhibit D, with the following interconnection voltages, metering voltages, and metering adjustments.

<u>POINT OF INTERCONNECTION</u>	<u>DELIVERY VOLTAGE</u>	<u>METERING VOLTAGE</u>	<u>METERING ADJUSTMENT</u>
Beulah 115-kv	115.000	115.000	0
Bismarck 115-kv	115.000	115.000	0
DeVaul 69-kv	69.000	<u>1/</u>	<u>1/</u>
Glendive 57-kv	57.000	57.000	0
Glendive 115-kv	115.000	115.000	<u>2/</u>
Glenham 230-kv	230.000	230.000	0
Heskett 230-kv	230.000	230.000	0
Intake	2.400	2.400	+2%
Killdeer 41.6-kv	41.600	41.600	0
Lewis & Clark 115-kv	115.000	115.000	0
Mandan Tap Point	69.000	<u>1/</u>	<u>1/</u>
Miles City 57-kv	57.000	57.000	0
O'Fallon 12.5-kv	12.500	12.500	+2%
Poplar 115-kv	115.000	115.000	0
Rosebud Creek 230-kv	230.000	230.000	0
Terry 34.5-kv	34.500	2.400	+2%
Watford City 34.5-kv	34.500	34.500	0
Wolf Point 34.5-kv	34.500	34.500	0
Williston 57-kv	57.000	57.000	0
Williston-Tioga 115-kv	115.000	115.000	0

1/ The Mandan Tap 69-kv and DeVaul 69-kv interconnections are located entirely within the electric system of Montana-Dakota and therefore deliveries into and out of the interconnections need not be metered. In lieu of metering, the electric energy transmitted through the Montana-Dakota system to the loads of Western's customers that are served

directly from the Mandan Tap-DeVaul 69-kv line shall be determined in the manner as set forth in Article 11.b. of the contract.

2/ Deliveries into the system of Montana-Dakota at the Glendive Interconnection(s) will be measured at 115,000 volts at the Dawson County Substation of Western. Said meter readings shall be reduced by an amount equal to two percent (2%) of the measured delivery into the system of Montana-Dakota at the Glendive 57-kv Interconnection to adjust for losses in transformation.

COMMON USE POINTS OF INTERCONNECTION

3. The following Points of Interconnection shall be at the point(s) where the common-use facilities of Montana-Dakota (M-D) and Basin Electric Power Cooperative (Basin) or Basin members, Upper Missouri G&T Electric Cooperative (UM), KEM Electric Cooperative (KEM), Rushmore Electric Power Cooperative (Rushmore), or Cam Wal Electric Cooperative (Cam Wal), Central Power Electric Cooperative (CPE), are joined or are attached to the facilities of Western with the following delivery and metering voltage(s) and metering adjustments. Montana-Dakota warrants that it has the right to accept deliveries from Western at said Points of Interconnection and deliveries hereunder are dependent thereon. For these interconnections, Western will provide, at its expense, the meters and test blocks only as deemed to be needed by mutual agreement. Montana-Dakota will provide or cause to be provided all other metering equipment.

<u>Point of Interconnection</u>	<u>Nominal Delivery Voltage</u>	<u>Metering Voltage</u>	<u>Metering Adjustment</u>	<u>Meter Ownership</u>
Baker (M-D)	230,000	230,000	0	Western
Bowman(UM) <u>1/</u>	230,000	230,000	0	Western
Culbertson (UM)	115,000	115,000	0	Western
Dickinson (Basin)	230,000	230,000	0	Western
Dunning (CPE) <u>4/</u>	115,000	57,000	<u>5/</u>	CPE
Halliday (UM)	115,000	115,000	0	Western
Herbert Weber (KEM)	230,000	230,000	0	KEM
Hettinger (M-D) <u>1/</u>	230,000	230,000	0	Montana-Dakota
Kenmare (M-D) <u>2/</u>	115,000	115,000	0	Montana-Dakota
Medora (UM)	-230,000	230,000	0	Western
Tioga (M-D) <u>3/</u>	230,000	230,000	0	Montana-Dakota
Whitlock (Rushmore/Cam-Wa1)	230,000	230,000	0	Western
Williston (UM/Basin)	115,000	115,000	0	Western
Williston (UM/Basin)	57,000	57,000	0	Western

1/ The UM Bowman 230/57-41.6-kv Substation facilities and the M-D Hettinger 230/115-kv Substation are attached to the M-D-owned segment of the Miles City -New Underwood 230-kv Transmission Line.

- 2/ The M-D Kenmare 115/57-kv Substation facilities are attached to the M-D-owned Kenmare-Tioga 115-kv Transmission Line and the Basin-owned Kenmare-Logan 115-kv Transmission Line.
- 3/ The M-D Tioga 230/115-kv Substation facilities are attached to the Basin-owned Boundary Dam-Logan 230-kv Transmission Line.
- 4/ The CPE Dunning 115/57-kv Substation facilities are attached to the CPE -owned Mallard -Dunning 115-kv Line.
- 5/ 2.5% plus 25,000 kwh/month due Ottertail Power Company.

EXHIBIT C
(Emergency Points of Delivery)

1. This Exhibit C made this 3rd day of March, 1, 1993, to be effective under and as a part of Contract No. 88-BAO-308, dated July 1, 1988, hereinafter called the Contract, shall become effective on the date of its execution and shall, on said effective date, terminate and supersede Exhibit C, dated July 1, 1988, and remain in effect until either superseded by another Exhibit C or by the termination of the Contract.

2. Emergency Points of Delivery to Montana-Dakota shall be as follows:

<u>EMERGENCY POINT OF DELIVERY</u>		<u>LOCATION</u>	<u>VOLTAGE</u>
Crossover	<u>1/</u>	Where the 230,000-volt circuit of Western is attached to the 230,000-volt circuit of the Montana Power Company at the Crossover Substation near Hardin, Montana.	230,000
Stanton (Hazen)	<u>2/</u>	Where the 115,000-volt circuit of Basin Electric Power Cooperative (Basin Electric) is attached to the 115,000-volt facilities of Basin Electric at its Stanton Substation near Stanton, North Dakota.	115,000
Watford City	<u>3/</u>	Where the 69,000-volt circuit of McKenzie Electric Cooperative, Inc., is attached to the Watford City Substation of Western near Watford City, North Dakota.	69,000

1/ Emergency power and energy deliveries shall be made to Montana-Dakota by Western at the Crossover Emergency Point of Delivery, within the available capacity of the facilities involved, and shall be measured at the Forsyth Substation of Mid-Yellowstone Electric Cooperative (Mid-Yellowstone) by metering equipment furnished by Montana-Dakota. Metered deliveries to Montana-Dakota at the Forsyth Substation will be increased by three percent (3%) and four percent (4%) to compensate for losses over the facilities of Montana Power Company (Montana Power) and Mid-Yellowstone from Crossover to Forsyth respectively. Arrangements for use of Montana Power's and Mid-Yellowstone's facilities for transmission of emergency power and energy hereunder have been made between Montana-Dakota, Montana Power, and Mid-Yellowstone.

2/ Emergency power and energy deliveries shall be made to Montana-Dakota by Western at the Stanton Emergency Point of Delivery and shall be measured at the Hazen Substation of Oliver-Mercer Electric Cooperative (Oliver-Mercer) by metering equipment furnished by Montana-Dakota. Since the electric power and energy delivered to Montana-Dakota is transformed twice and transmitted an appreciable distance over the facilities of Oliver-Mercer before it is measured, the meter reading at the point of measurement will be increased by five percent (5%) in order to compensate for losses between the point of delivery and the point of measurement. Arrangements for use of Basin Electric and Oliver-Mercer facilities for transmission of emergency power and energy hereunder from the

Stanton Emergency Point of Delivery to the Hazen Substation have been made between Montana-Dakota and Basin Electric and Oliver-Mercer.

3/ Emergency power and energy deliveries shall be made to Montana-Dakota by Western at the Watford City Emergency Point of Delivery, within the available capacity of the facilities involved, and shall be measured at the 69-kV Point of Interconnection between Montana-Dakota and Mountrail Electric Cooperative (Mountrail) near Stanley, North Dakota, by metering equipment furnished by Western. Metered deliveries to Montana-Dakota at the Stanley Point of Interconnection will be increased by seven percent (7%) to compensate for losses over facilities of Mountrail and McKenzie Electric Cooperative (McKenzie) from Stanley to Watford City. Arrangements for use of these Cooperatives' facilities for transmission of emergency power and energy hereunder from the Watford City Emergency Point of Delivery to Stanley have been made between Montana-Dakota and Mountrail and McKenzie.

3. An Emergency Point of Delivery to Western shall be as follows:

EMERGENCY
POINT OF
DELIVERY

LOCATION

VOLTAGE

Miles City	<u>1/</u> Where the 57,000-volt circuit of Montana-Dakota is attached to the 57,000-volt circuit of Western at the Miles City #1 Substation near Miles City, Montana.	57,000
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1/ Emergency power and energy deliveries shall be made to Western by Montana-Dakota at the Miles City Emergency Point of Delivery when requested by Western for the purpose of maintaining service to Tongue River Electric Cooperative (Tongue River) during outages between Disconnect 141 in the Miles City #1 Substation and OCB 1662 in the Miles City #2 Substation. In the event that Montana-Dakota is required to operate its Miles City Combustion Turbine generation in order to maintain service to the Miles City area customers, Western will compensate Montana-Dakota an amount equal to the incremental cost of the Miles City generation cost associated with service to Tongue River. In the event that combustion turbine generation is not required to maintain service to the Miles City area customers, Western will compensate Montana-Dakota 1 mill (\$0.001) for all kWh delivered to Western through the Miles City Emergency Interconnection. Compensation under either condition would be based on the amount of energy metered to Western at the Miles City 57-kV interconnection during the time the interconnection between Miles City #1 and Miles City #2 is open.

WESTERN AREA POWER

ADMINISTRATION

By _____

Title _____ Area Manager

Address _____ P.O. Box 35800
_____ Billings, MT 59107-5800

(SEAL)

MONTANA-DAKOTA UTILITIES CO.
A DIVISION OF MDU RESOURCES GROUP,
INC.

By _____

Title _____ Vice President-Power Supply

Address _____ 400 North Fourth Street

Bismarck, North Dakota 58501

Attest:

By _____

Title _____

EXHIBIT D
(Facility Provisions)

1. This Exhibit D is made this 2nd day of September, 1994 to be effective under and as a part of Contract No. 88-BAO-308 dated July 1, 1988, hereinafter called the Contract, shall become effective on October 2, 1994, shall, on said effective date, terminate and supersede Exhibit D, Revision 1, dated February 18, 1993, and shall remain in effect either until superseded by another Exhibit D or until termination of the Contract.

SPECIAL FACILITY PROVISIONS

2. Special provisions for facilities, major equipment description, ownership, and operation/control responsibilities at certain points are as specified below:

A. Beulah 115-kv Interconnection

(1) Location

The Beulah 115-kV Interconnection is located at the point where the Beulah Substation facilities of Montana-Dakota are attached to the Charlie Creek-Garrison 115-kV Transmission Line of Western in the vicinity of Beulah, North Dakota.

(2) Major Equipment Description, Ownership, and Operation/Control Responsibilities

Montana-Dakota has provided and will own and maintain the necessary takeoff structures in the Charlie Creek-Garrison Transmission line of Western at the Beulah 115-kV Interconnection. Montana-Dakota has provided and will own and maintain two (2) oil circuit breakers, together with the necessary related equipment therefor, one (1) on each side of the Beulah 115-kV Interconnection, said breakers to be operated for Western by Montana-Dakota as required by Western in its system operations. At the Beulah Interconnection both Western and Montana-Dakota have supervisory control Remote Terminal Units (RTU'S). For data circuits that will be telemetered by both parties, substation interface equipment may be used by each, as mutually agreed. Western has provided and will be responsible for the operation, maintenance, and programming of its RTU. Montana-Dakota agrees that any circuit changes to be made at the Beulah Substation on the two (2) 115-kV lines of Western which will affect the input or output requirements of the RTU will not be made without prior approval of Western. For future changes or additions at the Beulah Interconnection made by Montana-Dakota which will result in added input requirements to Western's RTU, the expense for furnishing and installing the necessary transducer, conditioning, auxiliary relays, test

blocks, and cable and wire, will be assumed by Montana-Dakota. Future expense, because of obsolescence, for replacing Western's RTU will be assumed by Western. Western shall have the right to remove its RTU at the Beulah Interconnection at any time Western determines that it is no longer required for its power system operation.

Western, at its expense, has provided and will maintain a communication channel from the Beulah Interconnection to Western's Watertown Operations Office at Watertown, South Dakota. Western shall have primary operational control, with Montana-Dakota having the option of having emergency backup control of circuit breaker Nos. 162 and 262. Western will have the indication of power flow quantities, bus voltage, and status of said breakers.

(3) Metering

Western has provided and will maintain at the Beulah 115-kV Interconnection only recording demand watt-hour meters to measure the electric power and energy delivered into and received from the system of Montana-Dakota. Such meters shall be satisfactory for incorporation in the facilities of Montana-Dakota and were installed by Montana-Dakota at its expense. Montana-Dakota has provided and will maintain all other metering equipment. All metering equipment will be as specified by the Contracting Officer, but may be equipped with telemetering devices supplied, maintained, and paid for by Montana-Dakota.

(4) Special License

Montana-Dakota hereby grants a license to Western to construct, install, operate, maintain, replace, or repair, either or all, upon the property of Montana-Dakota, the facilities provided for under this agreement at the Beulah Interconnection. Montana-Dakota hereby grants Western or customers of Western, pursuant to Article 5 of the Contract, the right to attach to the 115-kV bus in Montana-Dakota's Beulah Substation, such facilities as may be required for the interconnection of transmission lines of Western for Points of Delivery to, or interconnections with, customers of Western.

B. Bismarck 115-kV Interconnection

(1) Location

The Bismarck 115-kV Interconnection is located at the point at which the 115-kV facilities of Montana-Dakota are attached to the 115-kV facilities of Western at the Bismarck Substation of Western.

(2) Major Equipment Description, Ownership, and Operation/Control Responsibilities

Western has provided and will maintain in its Bismarck Substation a 115-kV oil circuit breaker, together with the necessary structures and related equipment therefor, for the Bismarck 115-kv Interconnection. Said breaker and related equipment to be and remain the property of Western and to be operated by Montana-Dakota, except that Western shall have overriding control of said breaker. Montana-Dakota has been and will continue to compensate Western for providing the said breaker and related equipment in the amount of six-hundred forty-three dollars and thirty-eight cents (\$643.38) per month as provided in footnote 1/ in this Section 2 and as shown in Article 3.

(3) Metering

Western has provided and will own and maintain at the Bismarck 115-kV Interconnection only recording demand watt-hour meters to measure the electric power and energy delivered into and received from the system of Montana-Dakota. Such meters shall be satisfactory for incorporation in the facilities of Montana-Dakota and were installed by Montana-Dakota at its expense. Montana-Dakota has provided and will maintain all other metering equipment. All metering equipment will be as specified by the Contracting Officer, but may be equipped with telemetering devices supplied, maintained, and paid for by Montana-Dakota.

(4) Special License

Montana-Dakota hereby grants Western or customers of Western, pursuant to Article 5 of the Contract, the right to attach to Montana-Dakota's 115-kV bus such facilities as may be required for the interconnection of transmission lines of Western for Points of Delivery to, or interconnections with, customers of Western.

C. Bismarck-DeVaul 69-kV Transmission Line

(1) Location

The Bismarck-DeVaul 69-kV Transmission Line is located between the Bismarck and DeVaul Substations of Western.

(2) Major Equipment Description, Ownership, and Operation/Control Responsibilities

Western does hereby lease to Montana-Dakota for the term of this Contract:

- (a) The certain four and thirty-seven hundredths (4.37) mile segment of Western's 115/69-kV transmission line between Western's Bismarck Substation and Montana-Dakota's takeoff structure located at the intersection of Bozeman Drive and Bismarck Expressway in the City of Bismarck, North Dakota, hereinafter referred to as the Bismarck Transmission Line Segment.
- (b) The certain seventy-three hundredths (0.73) mile segment of Western's 69-kV transmission line between Montana-Dakota's line deadend structure at the intersection of Fraine Barracks Road and West Main Avenue in the City of Bismarck, North Dakota and Western's steel deadend structure at the intersection of the west rights-of-way boundary of U.S. Highway I-194 and 19th Street SE extended in the City of Mandan, North Dakota, hereinafter referred to as the Bismarck-Mandan Transmission Line Segment.

Montana-Dakota agrees to operate and maintain the Bismarck Transmission Line Segment and the Bismarck-Mandan Transmission Line Segment at its own expense, in accordance with good utility practices and standards; to keep said line segments in good repair; and upon expiration or earlier termination of this Contract to return said line segments to Western in at least as good condition as when received by Montana-Dakota, reasonable wear and tear excepted. Montana-Dakota may, during the term of this lease, make such changes or modifications to said line segments as it may wish, except that such changes or modifications to said line segments shall first have been approved by Western; and such changes shall be made at the sole cost and expense of Montana-Dakota and at no expense to Western; and all equipment and material necessary to effect such changes or modifications and affixed to the premises of Western shall become and remain the property of Western.

Western hereby grants to Montana-Dakota the right to operate and maintain a 115-kV transmission line upon the rights-of-way of Western between the Mandan Tap Interconnection specified in this Exhibit D and the Western terminal of the Bismarck-Mandan Transmission line Segment. The facilities furnished and installed by Montana-Dakota upon said rights-of-way of Western shall be and remain the property of Montana-Dakota. Maintenance, operation, and replacement of said facilities shall be the responsibility of Montana-Dakota.

Montana-Dakota will assume all costs for any required changes or additions to control, relaying, or communication facilities needed to maintain the reliability or control of the transmission system of Western, as a result of the modifications to the transmission facilities provided for herein.

(3) Special Arrangements

For the transmission of power and energy over the Bismarck-DeVaul 69-kv transmission line of Western, Montana-Dakota will pay Western an annual charge of twelve thousand dollars (\$12,000). Said annual charge, which became effective on February 15, 1968, shall be payable in monthly installments as specified in Section 3 of this Exhibit. The above annual charge shall be subject to renegotiation, upon written request by either party, at intervals of not less than five (5) years from said effective date.

In consideration for the lease of Western's facilities and use of Western's rights-of-way as provided herein, Montana-Dakota agrees to:

(a) Pay Western the sum of two thousand dollars (\$2,000) per year, said annual charge to be due and payable in advance on the first day of October each year. The charge for fractional parts of a fiscal year at the beginning or end of the period of said lease shall be determined by multiplying the above said rate by the ratio of the number of days this lease is in effect during the fiscal year (October 1-September 30) to the number of days in that fiscal year.

(b) Deliver, without cost to Western, power and energy into the Mandan Tap Interconnection in the Bismarck-DeVaul 69-kV Transmission Line of Western in amounts up to fifteen megawatts (15 MW). Said power and energy will be delivered to Montana-Dakota from the Heskett 230-kV or Bismarck 115-kV Interconnections.

Western agrees that no further compensation, other than the compensation provided for in the above paragraphs will be required for the use of Western's Bismarck-DeVaul 69-kV Transmission line facilities and rights-of-way as provided for above.

(4) Special License

Western, under the terms and conditions specified herein, hereby grants a license to Montana-Dakota, its employees, agents, and subcontractors to enter the right-of-way of Western and to use Western facilities specified above.

D. DeVaul 69-kV Interconnection

(1) Location

The DeVaul 69-kV Interconnection is located at the point at which the 69-kV facilities of Montana-Dakota are attached to the 69-kV facilities of Western at the DeVaul Substation of Western.

(2) Metering

Deliveries of electric power and energy into the system of Montana-Dakota at the DeVaul 69-kV Interconnection need not be metered.

E. Glendive 57-kV Interconnection

(1) Location

The Glendive 57-kV Interconnection is located at the point at which the 57-kV facilities of Montana-Dakota are attached to the 57-kV facilities of Western at the Glendive Substation of Western.

(2) Metering

Western has provided and will own, operate, maintain, and repair, at its expense, the recording demand watt-hour meter in the control building of Montana-Dakota adjacent to the Glendive 57-kV Substation.

(3) Special Arrangements

Montana-Dakota hereby grants Western a license to construct, operate, and maintain substation facilities, consisting of step down transformers, voltage regulators, switches, protective equipment, together with necessary conductors and their supporting structures, in accordance with Bureau of Reclamation General Plan No. 380-D-126 (formerly No. 76-D-96), dated June 10, 1944, as revised and redrawn September 26, 1955, on the following discussed real estate, being the property of Montana-Dakota situated in the City of Glendive, County of Dawson, Montana, to wit:

Lots thirty-five (35) AP to thirty-eight (38) AP, inclusive, and the north half (N 1/2) of Lot thirty-nine (39) AP, all in Block three (3) of the original Glendive townsite.

Any facilities installed by Western pursuant to said license shall be and remain the property of Western notwithstanding that the same may have been affixed to the premises, and Western shall have a reasonable time after the expiration of said license in which to remove its facilities. Adjacent to the Glendive 57-kV Substation, and on property owned by Montana-Dakota, Montana-Dakota has constructed a control building to house controls and metering. Montana-Dakota will own, operate, maintain, and repair said facilities except that Western will own and operate, maintain and repair the transfer trip transmitters to its Dawson County Substation in addition to the metering provided for above in Section 2.E.(2).

(4) Special Licenses

Montana-Dakota hereby grants a license to authorized agents and employees of Western to enter the control building at the Glendive Substation of Montana-Dakota for the purpose of operating, maintaining, and repairing the meter, and the transfer trip transmitter providing proper advance arrangements are made with Montana-Dakota. All installation, inspection, maintenance, and removals of equipment by Western under this license shall be coordinated with and approved by Montana-Dakota or an authorized representative thereof so as to eliminate or minimize any interference with the operation and maintenance of the facilities of Montana-Dakota.

Western, under the terms and conditions specified herein, hereby grants a license to authorized agents and employees of Montana-Dakota to enter the Glendive Substation of Western for the purpose of performing work incidental to the performance of this agreement. All construction, installation, inspection, testing, operation, maintenance, and removals of equipment by Montana-Dakota under this license shall be coordinated with and approved by the Contracting Officer or an authorized representative thereof so as to eliminate or minimize any interference with the operation and maintenance of the facilities of Western.

F. Glendive 115-kV Interconnection

(1) Location

The Glendive 115-kV Interconnection is located at the point at which the 115-kV facilities of Montana-Dakota are attached to the 115-kV facilities of Western at the Glendive Substation of Western in Glendive, Montana.

(2) Major Equipment Description, Ownership, and Operation/Control Responsibilities

Montana-Dakota has furnished, installed, and shall own one (1) 115-kV group-operated disconnect switch with motor operator and associated equipment and controls. Montana-Dakota's disconnect switch is located in the Dawson County-Glendive 115-kV Transmission Line of Western at the Glendive Substation. Western, at its own expense, will be responsible for routine maintenance of said switch. Major repairs, replacements, or modifications to said disconnect switch shall be performed pursuant to Article 7 of the Contract. Montana-Dakota will operate the motor operated disconnect switch under the operational control of the Area Dispatch office of Western.

(3) Metering

For the Glendive 115-kV Interconnection Western has provided, at its expense, the recording demand watt-hour meter and the instrument potential transformers in the Dawson County Substation of Western necessary to measure the electric power and energy delivered to Montana-Dakota at the Glendive Substation of Western. Montana-Dakota has been and shall continue to compensate Western in the amount of fifty-nine dollars and eighty-four cents (\$59.84) per month for all other additional metering equipment necessary in said Dawson County Substation as a result of the Glendive 115-kV delivery as provided in footnote 1/ in this Section 2 and as shown in Article 3.

(4) Special License

Montana-Dakota hereby grants Western a license to use, without charge to Western, Montana-Dakota's said 115-kV disconnect switch with motor operator and associated controls located in the Glendive Substation in delivering electric energy of Western or others to customers of Western or wheeling agents of Western.

G. Glenham 230-kV Interconnection

(1) Location

The Glenham 230-kV Interconnection is located at a point adjacent to the Glenham Substation of Montana-Dakota where the 230-kV facilities of Montana-Dakota are attached to the 230-kV Bismarck-Sully Buttes Transmission Line of Western near Glenham, South Dakota.

(2) Major Equipment Description, Ownership, and Operation/Control Responsibilities

Montana-Dakota has provided and will maintain two (2) 230-kV power circuit breakers and six (6) air-break disconnecting switches, together with the necessary structures and related equipment therefor, one (1) on each side of the Glenham 230-kV Interconnection, said switches to be operated by Western as required by it in its system operations. Said equipment shall be and remain the property of Montana-Dakota. Montana-Dakota hereby licenses Western to use and operate the facilities until the termination of the Contract. Western shall have primary operational control, with Montana-Dakota having the option of having emergency backup control of the two (2) 230-kV circuit breakers specified above. Western will have status indication of the 230-kV circuit breaker in the 230-kV interconnecting transmission line of Montana-Dakota.

Western, at the expense of Montana-Dakota, furnished the RTU installed in the Glenham Interconnection. For future changes or additions at the Glenham Interconnection made by Montana-Dakota which will result in added input requirements to the RTU, the expense for furnishing and installing the necessary transducers, conditioning, auxiliary relays, test blocks, and cable and wire, will be assumed by Montana-Dakota. The RTU and associated devices such as transducers, test blocks, and auxiliary relays are and shall remain the property of Montana-Dakota. For data circuits that will be telemetered by both parties, substation interface equipment may be used by each as mutually agreed. Montana-Dakota agrees that any circuit changes to be made in the Glenham Substation on the 230-kV bus or line terminal equipment which affect the operation of the RTU will not be made without prior approval of Western. Montana-Dakota, at its own expense, has provided and will maintain a dedicated communication channel from the Glenham Interconnection to Western's Bismarck Substation Microwave site for Western's use in accessing the RTU at the Glenham Interconnection.

Western, pursuant to Article 7 of the Contract, will operate, maintain, program, and make major repairs, replacements, or modifications on the RTU of Montana-Dakota installed in the Glenham Substation at the sole expense of Montana-Dakota.

The parties agree that if, during a period of ten (10) years commencing with the in service date of August 10, 1983, the RTU is replaced because of obsolescence, Western will share in the replacement cost at an annual depreciation rate of ten percent (10%), taking into consideration a partial year as appropriate.

(3) Metering

Western has provided and will maintain at the Glenham 230-kV Interconnection only a recording demand watt-hour meter to measure output from the system of Western. Said meter shall be satisfactory for incorporation in the facilities of Montana-Dakota and was installed by Montana-Dakota at its expense. Montana-Dakota has provided and will maintain all other metering equipment. All metering equipment will be as specified by the Contracting Officer, but may be equipped with telemetering devices supplied, maintained, and paid for by Montana-Dakota.

(4) Special License

Montana-Dakota hereby grants Western or customers of Western, pursuant to Article 5 of the Contract, the right to attach to the 230-kV bus in Montana-Dakota's Glenham Substation, such facilities as may be required for the interconnection of transmission lines of Western for Points of Delivery to, or interconnections with, customers of Western.

H. Heskett 230-kV Interconnection

(1) Location

The Heskett 230-kV Interconnection is located at the point where Montana-Dakota's two (2) single circuit tielines extending from Montana-Dakota's Heskett Switchyard are attached to the Dickinson-Bismarck 230-kV Transmission Line of Western in the vicinity of Montana-Dakota's R. M. Heskett Powerplant.

(2) Major Equipment Description, Ownership, and Operation/Control Responsibilities

Montana-Dakota has provided and will own, operate, and maintain two (2) single circuit tielines, each approximately one (1) mile in length, between the points of interconnection with the Dickinson-Bismarck 230-kV Transmission Line at Structure No. 198/1 and the 230-kV facilities of Montana-Dakota at its Heskett Switchyard. In its Heskett Switchyard Montana-Dakota has provided and will own, operate, and maintain two (2) 230-kV power circuit breakers and related equipment including, but not limited to, two (2) switches (Nos. 185 and 285) and necessary metering equipment. Western will have operational control of said power circuit breakers and switches.

Western, at the expense of Montana-Dakota, furnished the RTU installed at the Heskett Switchyard. For future changes or additions at the Heskett Switchyard, which will result in added input requirements to the RTU, the expense for furnishing and installing the necessary conditioning, auxiliary relays, test blocks, cable and wire, will be assumed by Montana-Dakota. For data circuits that will be telemetered by both parties, substation interface equipment may be used-by each as mutually agreed. The RTU is and shall remain the property of Montana-Dakota. If, for a period of ten (10) years commencing with the initial in-service date of September 1983, said RTU is replaced because of obsolescence, Western will share in the replacement cost at an annual depreciation rate of ten percent (10%) taking into consideration a partial year as appropriate. Montana-Dakota owns and will maintain the cable and wire, transducers, test blocks, and auxiliary relays at its own expense. Montana-Dakota agrees that any circuit changes to be made at the Heskett Switchyard on the 230-kV bus or line terminal equipment which will result in added input requirements to the RTU will not be made without prior approval of Western.

Montana-Dakota, at its own expense, has provided and will maintain a dedicated communication channel from the Heskett Switchyard to Western/Basin Electric's Mandan Microwave site for Western's use in accessing the RTU at the Heskett Switchyard.

Western, at the expense of Montana-Dakota, will be responsible for the operation, maintenance, and programming of the RTU.

In accordance with the provisions of Article 6 (b) of the Contract, if new generating units in Montana-Dakota's service area, of which Montana-Dakota is a participant, should cause heavy inadvertent flows into the system of Western at the Heskett 230-kV Interconnection which, as solely determined by the Contracting Officer, cause undesirable loading of facilities of Western, Western reserves the right to open the Heskett 230-kv Interconnection whenever this action is determined to be necessary or desirable by the Contracting Officer. Western will give Montana-Dakota reasonable advance notice if such action is contemplated.

(3) Metering

Meters have been furnished and installed and shall be maintained by Montana-Dakota.

(4) Special License

Montana-Dakota hereby grants Western, free of charge, a license to use Montana-Dakota's two (2) 230-kV tie lines and Heskett Switchyard 230-kV bus facilities as an interconnection delivering electric energy of Western or others into the 230-kV Heskett-Center Transmission Line of Minnkota Power Cooperative.

I. Intake Substation

(1) Location

The Intake Substation of Western is located at a point southwest of Montana-Dakota's Lewis and Clark Substation on the 57-kV transmission facilities of Montana-Dakota.

(2) Special License

Western hereby grants Montana-Dakota a special license to use a portion of the capacity available in the 57 to 2.4-kV, 150-kVA transformer at the Intake Substation of Western, and to connect to, and use a portion of the capacity available in the 2.4-kV line serving the Intake Pumping Plant. Such use of the transformer and line capacity shall not exceed transmission of fifty (50) kilowatts, and shall include the right to transmit such energy therewith as is required for the load to be served by Montana-Dakota. Montana-Dakota will assume all losses on the 2.4-kV line serving the Intake Pumping Plant above the amount of losses calculated for the Intake Irrigation District. The special license granted to Montana-Dakota shall remain in effect during the term of this Contract and shall expire coincidentally therewith. In consideration for the said license, Montana-Dakota agrees to compensate Western in the amount of twenty-eight dollars (\$28.00) per month as specified in Section 3 of this Exhibit.

(3) Metering

Deliveries of electric power and energy through the facilities of Western into the system of Montana-Dakota need not be metered. Montana-Dakota provided for relocation of the metering equipment of Western from Western's Intake Substation to Western's Intake Pumping Plant at Montana-Dakota's expense to accommodate said deliveries of electric power and energy.

J. Killdeer 41.6-kV Interconnection

(1) Location

The Killdeer 41.6-kV Interconnection is located at the point at which the 41.6-kV facilities of Montana-Dakota are attached to the 41.6-kV facilities of Western at the Killdeer Substation of Western.

(2) Special License

Western has provided in its Killdeer Substation 3,333 kVA of transformer capacity for delivery to Montana-Dakota at 41.6-kV from the 115-kV transmission line of Western. Western also provided and will maintain in its Killdeer Substation a 41.6-kV oil circuit breaker, together with the necessary structures and related equipment therefor, for the Killdeer 41.6-kV Interconnection. Said breaker and related equipment to be and remain the property of Western. Montana-Dakota will continue to compensate Western for providing said transformer capacity and breaker and related equipment in the amount of eight-hundred forty-nine dollars and sixty-eight cents (\$849.68) per month as provided for under footnote 2/ in this Section 2 and as shown in Section 3.

(3) Metering

All meters are owned, operated, and maintained by Western.

K. Lewis and Clark 115-kV Interconnection

(1) Location

The Lewis and Clark 115-kV Interconnection is located at the points where Montana-Dakota's two (2) tie lines, each approximately three (3) miles in length, between said interconnection and Montana-Dakota's Lewis and Clark Generating Plant are attached to the 115-kV Glendive-Richland Transmission Line of Western about two and one half (2-1/2) miles southwest of Sidney, Montana.

2) Major Equipment Description, Ownership, and Operation/Control Responsibilities

Montana-Dakota has provided and will maintain for the use of Western an air-break disconnecting switch on the Glendive-Richland Transmission Line of Western at the Lewis and Clark 115-kV Interconnection which when closed will permit the Glendive-Richland line to operate when necessary, without use of the connections to Montana-Dakota's Lewis and Clark Power Plant. Said disconnecting switch is and shall remain the property of Montana-Dakota. Montana-Dakota is hereby authorized to open and keep open the said disconnecting switch, but will close said disconnecting switch whenever requested by the Contracting Officer in order to maintain service over the Glendive-Richland line, or Western may do so with its own personnel. Montana-Dakota will maintain the above-said disconnecting switch in a good and satisfactory operating condition and hereby licenses Western to use and operate said switch until the termination of the Contract. At the end of said period Montana-Dakota shall have the right to remove said switch.

(3) Metering

Western will maintain at the Lewis and Clark 115-kV Interconnection the recording demand watt-hour meters which were provided by Montana-Dakota to measure the electric power and energy delivered into and received from the system of Montana-Dakota. Montana-Dakota has provided and will maintain all other metering equipment. All metering equipment will be as specified by the Contracting Officer, but may be equipped with telemetering devices supplied, maintained, and paid for by Montana-Dakota.

L. Mandan Tap 69-kV Interconnection

(1) Location

The Mandan Tap 69-kV Interconnection is located at the point at which the 69-kV facilities of Montana-Dakota are attached to the Bismarck-DeVaul 69-kV Transmission Line of Western in the vicinity of Mandan, North Dakota.

(2) Major Equipment Description, Ownership, and Operation/Control Responsibilities

At the Mandan Tap 69-kV Interconnection, Montana-Dakota has provided and will maintain the necessary take-off structure in the Bismarck-DeVaul 69-kV transmission line of Western.

(3) Metering

Deliveries of electric power and energy into the system of Montana-Dakota need not be metered.

M. Miles City 57-kV Interconnection

(1) Location

The Miles City 57-kV Interconnection is located at the point at which the 57-kV facilities of Montana-Dakota are attached to the 57-kV facilities of Western at the Miles City No.1 Substation of Western.

(2) Major Equipment Description, Ownership, and Operation/Control Responsibilities

Montana-Dakota has furnished, installed, and shall own a 30/40/50-MVA, 115/57-kV transformer with a 13.8-kV delta tertiary winding in Miles City No.1 Substation. Western has constructed, at its own expense, and owns 13.8-kV station service facilities connected to the 13.8-kV tertiary connection of Montana-Dakota's transformer.

Western, at its own expense, will be responsible for routine operation and maintenance of the transformer. Major repairs, replacements, or modifications on the transformer shall be performed pursuant to Article 7 of the Contract. Except where replacement is due to load growth, Western and Montana-Dakota will share in the total cost of major repair, replacement, or modification on the transformer of Montana-Dakota in the proportion that the capacity rights of Western in the transformer (9,500) bear to the total capacity of the transformer (9,500/50,000). Western will be responsible for nineteen percent (19%) and Montana-Dakota responsible for eighty-one percent (81%) of the total cost of major repairs, replacements, or modifications on the transformer of Montana-Dakota.

(3) Special License

Montana-Dakota has granted Western a license to use, without charge to Western, Montana-Dakota's facilities at the Miles City No.1 Substation in delivering electric energy of Western or others to customers of Western or wheeling agents of Western. Total transformation capacity available for use by Western, unless mutually agreed otherwise, shall not be less than 9,500-kVA of which 2,000-kVA capacity will be in the tertiary winding and 7,500-kVA will be in either the 115-kV or 57-kV windings.

N. O'Fallon 12.5-kV Interconnection

(1) Location

The O'Fallon 12.5-kV Interconnection is located at the point at which the 12.5-kV facilities of Montana-Dakota are attached to the 12.5-kV facilities of Western in the O'Fallon Creek Substation of Western.

(2) Major Equipment Description, Ownership, and Operation/Control Responsibilities

At its O'Fallon Creek Substation, Western has provided for use by Montana-Dakota facilities which include, but are not limited to, a grounding transformer, voltage regulator, oil circuit breaker, three (3) potential transformers, six (6) current transformers, and nine (9) hook-operated disconnect switches, Western has made and will continue to make available to Montana-Dakota use of up to 1,000 kVA of capacity in the existing 110/69/12.5-kV transformer for delivery to Montana-Dakota at 12.5-kV from the 115-kV transmission line of Western. For use of the aforesaid facilities by Montana-Dakota, inclusive of operation and maintenance cost, Montana-Dakota has been and will continue to pay Western an annual charge of three-thousand two-hundred and forty dollars (\$3,240) to be payable at the rate of two-hundred and seventy dollars (\$270) for each full billing month or part thereof. There shall be no reductions in payments for the said facilities by Montana-Dakota due to interruptions in service at the O'Fallon 12.5-kV Interconnection from any cause.

O. Poplar 115-kV Interconnection

(1) Location

The Poplar 115-kV Interconnection is located at the point where the Poplar Junction Substation facilities of Montana-Dakota are attached to the Wolf Point-Williston 115-kV Transmission Line of Western about three (3) miles east of Poplar, Montana.

(2) Major Equipment Description, Ownership, and Operation/Control Responsibilities

Montana-Dakota has provided and will maintain the necessary takeoff structures in the Wolf Point-Williston Transmission Line. Should the Poplar 115-kV Interconnection be terminated, Montana-Dakota shall thereupon, at its own expense, remove said structure and restore the transmission line of Western to its original condition. Montana-Dakota also provided and will maintain two (2) 115-kV oil circuit breakers and associated switches and equipment in its Poplar Junction Substation to be used for line sectionalizing on the Wolf Point-Williston Transmission Line.

Western, at the expense of Montana-Dakota, furnished and is responsible for the operation, maintenance, and programming of the RTU installed in the Poplar Junction Substation of Montana-Dakota. For a period of ten (10) years commencing with the initial in-service date of February 1983, if said RTU is replaced because of obsolescence, Western will share in the replacement cost at an annual depreciation rate of ten percent (10%) taking into consideration a partial year

as appropriate. The RTU is connected to provide for primary operational control of the 115-kV oil circuit breakers by Western. Montana-Dakota agrees that any circuit changes to be made at the Poplar Junction Substation on the 115-kV bus or line terminal equipment which will affect the input or output requirements of the RTU will not be made without prior approval of Western. For future changes or additions at the Poplar Junction Substation by Montana-Dakota which will result in added input requirements to the RTU, the expense for furnishing and installing the necessary transducers, conditioning, auxiliary relays, test blocks, and cable and wire, will be assumed by Montana-Dakota.

At Poplar Junction, Fort Peck and Williston Substations Montana-Dakota provided a communications system consisting of single sideband carrier equipment including, but not limited to, a line tuning unit at each substation and a baseband repeater and the necessary coupling equipment at Poplar Junction Substation. Montana-Dakota installed and shall own and maintain said communication facilities at its Poplar Junction Substation. Western shall have the right to use free of charge one voice channel and one data channel. The facilities at Fort Peck Substation were installed and are operated and maintained by the Corps of Engineers. The facilities at Williston Substation were installed and are operated and maintained by Western. Montana-Dakota shall retain ownership of said single sideband carrier equipment installed at Poplar Junction, Fort Peck, and Williston Substations.

(3) Metering

P. Rosebud Creek 230-kV Interconnection

(1) Location

The Rosebud Creek 230-kV Interconnection is located at a point adjacent to the Rosebud Creek 230/57-kV Substation of Montana-Dakota where the 230-kV facilities of Montana-Dakota are attached to the Miles City-Custer 230-kV Transmission Line of Western at Rosebud Creek near Forsyth, Montana.

(2) Major Equipment Description, Ownership, and Operation/Control Responsibilities

Montana-Dakota has provided and will own and maintain the necessary in-line 230-kV tap structure in the Miles City-Custer 230-kV transmission line of Western. Montana-Dakota has provided and will operate, maintain, and own two (2) 230-kV motor operated air break switches with vacuum load break and line grounding switches, one (1) on each side of the Rosebud Creek 230-kV Interconnection, and one (1) 230-kV fault interrupter and all other facilities necessary to establish the Rosebud Creek 230-kV Interconnection. System dispatching and operating control of the two (2) 230-kV motor operated switches which are an integral part of the Miles City-Custer 230-kV transmission line of Western and the 13.8-kV tertiary reactor in

Montana-Dakota's Rosebud Creek Substation will be coordinated with and approved by the Area Dispatch office of Western.

(3) Metering

Western will own and maintain at the Rosebud Creek 230 kV Interconnection a recording watt hour meter to measure out put from the system of Western. Said metering package was furnished by Montana-Dakota and purchased in place by Western. All other metering equipment, including the instrument transformers, is owned and maintained by Montana-Dakota.

(4) Special License

Montana-Dakota hereby grants a license to Western, free of charge, to use Montana-Dakota's 230-kV bus facilities at the Rosebud Creek Interconnection in delivering electric power and energy of Western or others. Montana-Dakota hereby grants Western or customers of Western, pursuant to Article 5 of the Contract, the right to attach to the 230-kV and the 57-kV busses in Montana-Dakota's Rosebud Creek Substation, such facilities as may be required for the interconnection of transmission lines of Western for Points of Delivery to, or interconnections with, customers of Western; provided, that, the provisions of Article 5, Section G, Paragraph 5. of the Contract shall not apply to deliveries of power and energy to Central Montana Electric Power Cooperative, Inc. for Mid-Yellowstone Electric Cooperative, Inc. only.

Q. Terry 34.5-kV Interconnection

(1) Location

The Terry 34.5-kv Interconnection is located at the point at which the 34.5-kV facilities of Montana-Dakota are attached to the 34.5-kV facilities of Western in the immediate vicinity of the Terry Tap Substation of Western.

(2) Major Equipment Description, Ownership, and Operation/Control Responsibilities

Western, at the expense of Montana-Dakota, furnished and installed two (2) 34.5-kV disconnect switches and associated bus work for a bypass of the 34.5-kV breaker in the Terry Tap Substation. Said facilities furnished and installed for Montana-Dakota shall be and remain the property of Montana-Dakota. Western will operate, maintain, and make major repairs, replacements, or modifications on said facilities of Montana-Dakota installed in the Terry Tap Substation of Western at the sole expense of Montana-Dakota. Deliveries to Montana-Dakota shall be limited to the capacity available in the 115/34.5-kV transformer in the Terry Tap Substation less loads of the customers of Western.

(3) Metering

Western owns, and maintains at its expense, the meter and test block. All other metering equipment, including the instrument transformers, are owned and maintained by Montana-Dakota.

R. Watford City 34.5-kV Interconnection

(1) Location

The Watford City 34.5-kV Interconnection is located at the point at which the 34.5-kV facilities of Montana-Dakota are attached to the 34.5-kV facilities of Western at the Watford City Substation of Western.

(2) Special License

Western has provided, in its Watford City Substation, 2,500-kVA of transformer capacity for delivery to Montana-Dakota at 34.5-kV. Montana-Dakota has been and will continue to compensate Western as specified in Section 3 of this Exhibit for such transformer capacity. There shall be no reduction in payments for the transformer capacity by Montana-Dakota due to interruptions in service at the Watford City 34.5-kV Interconnection from any cause.

S. Williston 57-kV Interconnection

(1) Location

The Williston 57-kV Interconnection is located at the point at which the 57-kV facilities of Montana-Dakota and the common-use power transformer and 57-kV facilities of Upper Missouri G&T Electric Cooperative Inc. (Upper Missouri) are attached to the 57-kv facilities of Western at the Williston Substation of Western.

(2) Major Equipment Description, Ownership, and Operation/Control Responsibilities

Western has provided and will maintain in its Williston Substation two (2) 57-kV oil circuit breakers, numbers 642 and 542, together with the necessary structures and related equipment therefor, for the Williston 57-kV Interconnections, said breakers and related equipment are and shall remain the property of Western. A third breaker, number 442, will be provided and owned by Upper Missouri in the Williston Substation for service to Montana-Dakota and said Cooperative. Montana-Dakota shall have primary operational control over breakers 442, 542, and 642 with emergency backup control capability by Western. For the use and maintenance of said 57-kv facilities of Western, Montana-Dakota shall compensate

Western in the amount of ninety-one dollars and sixty-seven cents (\$91.67) per month as specified in Section 3 of this Exhibit.

(3) Metering

All meters are owned, operated, and maintained by Western with the current transformers and current transformer stands on oil circuit breaker number 642 owned by Montana-Dakota and maintained by Western.

T. Williston-Tioga 115-kV Interconnection

(1) Location

The Williston-Tioga 115-kV Interconnection is located at the point at which the 115-kV facilities of Montana-Dakota and the 115-kV power circuit breaker of Upper Missouri are attached to the 115-kV facilities of Western at the Williston Substation of Western in the vicinity of Williston, North Dakota.

(2) Major Equipment Description, Ownership, and Operation/Control Responsibilities

Western has installed and will maintain in its Williston Substation a 115-kV oil circuit breaker, together with the necessary structures and related equipment therefor, for the Williston-Tioga 115-kV Interconnection, said breaker and related equipment to be and remain the property of Upper Missouri, which was provided on Western's behalf by the Upper Missouri, and to be operated by Montana-Dakota except that Western shall have overriding control of the said breaker.

Montana-Dakota has been and will continue to compensate Western for providing delivery facilities in the amount of four-hundred forty dollars and thirty-one cents (\$440.31) per month as provided in footnote 1/ in this Section 2 and as shown in Section 3.

Western, at its expense, has installed and will operate, maintain, and own a RTU for operation of its facilities in the Williston Substation, except that Montana-Dakota will have primary operational control of circuit breaker Nos. 464 and 664, and the tap changers on transformers KX3A and KX3B with emergency backup control capability by Western. Montana-Dakota has installed, at Montana-Dakota's expense, an RTU in the Williston Substation for the purpose of controlling the aforementioned devices.

(3) Metering

For the Williston-Tioga 115-kV Interconnection Western has provided, at its expense, only the recording demand watt-hour meter to measure the electric power and energy delivered into the system of Montana-Dakota. Montana-Dakota shall

compensate Western for all other additional metering equipment necessary for said interconnection as provided in footnote 1/ in this Section 2.

U. Wolf Point 34.5-kV Interconnection

(1) Location

The Wolf Point 34.5-kV Interconnection is located at the point at which the 34.5-kV facilities of Montana-Dakota are attached to the 34.5-kV facilities of Western at the Wolf Point Substation of Western.

- 1/ Montana-Dakota shall compensate Western for the facilities at the Dawson County, Williston, Bismarck, and Killdeer Substations of Western provided for above under each respective interconnection, at the rate of six-tenths of one percent (0.6%) per month of the total actual cost of constructing, acquiring, and installing such additional facilities, including engineering, administrative, and overhead expenses allocable thereto, in accordance with the normal accounting practices of Western at the time said additional facilities were installed, which costs were conclusively determined by the Contracting Officer at the time the facilities were available for service and, for the purposes of billing under this article, such costs shall not be subsequently altered, and payment shall be made in the manner prescribed in Article 29 of the Contract. There shall be no reductions in payments for the said facilities by Montana-Dakota due to interruptions in service at the Glendive 115-kv Interconnection, the Williston 115-kV Interconnection, the Bismarck 115-kV Interconnection, or the Killdeer 41.6-kV Interconnection from any cause.
- 2/ Montana-Dakota shall compensate Western for the transformer capacity (3,333 kVA) at the Killdeer Substation of Western provided for above under the Killdeer 41.6-kV Interconnection, an amount equal to six-tenths of one percent (0.6%) per month of two-twelfths of the total cost of constructing, acquiring and installing the Killdeer Substation facilities, less costs associated with low-side oil circuit breakers and related equipment, including engineering, administrative, and overhead expenses allocable thereto, in accordance with the normal accounting practices of Western at the time said facilities were installed, which costs were conclusively determined by the Contracting Officer at the time the facilities were available for service and, for the purpose of billing under this article, such costs shall not be subsequently altered, and payment shall be made in the manner prescribed in Article 29 of the Contract. There shall be no reductions in payments for the said facilities by Montana-Dakota due to interruptions in service at the Killdeer Substation from any cause.

3. SUMMARY OF FACILITIES USE CHARGES AND OPERATION AND MAINTENANCE PAYMENTS

<u>Points of Interconnection</u>	Cost Responsibility		Annual Advance	Major Repair	Facilities Use Charge	<u>Review Date</u>	<u>Facilities</u>
	<u>Montana-Dakota</u>	<u>Western</u>					
	(%)	(%)	(\$)	(\$)	(\$/period)		
A. Beulah 115-kV	---	---	---	---	---	---	No charges or payments.
B Bismarck 115-kV	0	100	---	---	643.38/mo	---	115-kV oil circuit breaker.
C. Bismarck-DeVaul	100	0	---	---	1,000/mo	---	69-kV transmission line.
	100	0	---	---	2,000/yr	---	Bismarck Substation-Bozeman Drive 115/69-kv Transmission line.
D. DeVaul 69-kV	---	---	---	---	---	---	No charges or payments.
E. Glendive 57-kV	---	---	---	---	---	---	No charges or payments.
F. Glendive 115-kV	0	100	---	---	---	---	115-kV group-operated discount switch, routine maintenance.
	100	0	---	1000	---	---	Major repairs, replacements, or modifications.
G. Glenham 230-kV	0	100	---	---	59.84/mo	---	Additional metering equipment in Dawson County Substation.
	100	0	1200	500	---	10/1/92	RTU

<u>Points of Interconnection</u>	Cost Responsibility		Annual Advance	Major Repair	Facilities Use Charge	<u>Review Date</u>	<u>Facilities</u>
	<u>Montana-Dakota</u>	<u>Western</u>					
	(%)	(%)	(\$)	(\$)	(\$/period)		
H. Heskett 230-kv	100	0	500	500	---	10/1/92	RTU
I. Intake Substation	0	100	---	---	28.00/mo	---	License for a portion of 150-kVA transformer capacity and 2.4-kV line
J. Killdeer 41.6-kV	0	100	---	---	849.68/mo	---	3,333-kVA of transformer capacity one (1) 41.6-kV oil circuit breaker
K. Lewis & Clark 115-kV	---	---	---	---	---	---	No charges or payments.
L. Mandan Tap	---	---	---	---	---	---	No charges or payments.
M. Miles City 57-kV	0	100	---	---	---	---	30/40/50-MVA, 115/57-kV transformer routine operation and maintenance.
	81	19	---	2000	---	10/1/92	Major repairs, replacements, or modifications.
N. O'Fallon 12.5-kV	0	100	---	---	270.00/mo	---	Grounding transformer, voltage regulator. oil circuit breaker. three (3) potential transformers, six (6) current transformers. nine (9) hook-operated disconnect switches at 1000-kVA transformer capacity
O. Poplar 115-kV	100	0	1,200	500	---	10/1/92	RTU.

<u>Points of Interconnection</u>	Cost Responsibility		Annual Advance	Major Repair	Facilities Use Charge	<u>Review Date</u>	<u>Facilities</u>
	<u>Montana-Dakota</u>	<u>Western</u>					
	(%)	(%)	(\$)	(\$)	(\$/period)		
	100	0	60	---	---	10/1/92	Single sideband carrier equipment at Williston Substation.
P. Rosebud Creek 230-kV	---	---	---	---	---	---	No charges or payments.
Q. Terry 34.5-kV	100	0	250	500	---	---	Two (2) 34.5-kV disconnect switches
R. Watford City 34.5-kV	0	100	---	---	208.33/mo	---	2,500-kVA transformer capacity.
S. Williston 57-kV	0	100	---	---	91.67/mo	---	57-kV oil circuit breakers Nos. 642 and 542.
T. Williston-Tioga 115-kV	0	100	---	---	440.31/mo	---	115-kv oil circuit breaker.
U. Wolf Point 34.5-kV	---	---	---	---	---	---	No charges or payments.

WESTERN AREA POWER ADMINISTRATION

By _____
Title Area Manager
Address **P.O. Box 35800**
Billings, MT
59107-5800

(SEAL)

MONTANA-DAKOTA UTILITIES CO.
A DIVISION OF MDU RESOURCES GROUP, INC.
By: **BRUCE IMSDAHL**
Title: **VICE PRESIDENT ENERGY SUPPLY**

Attest:

By _____ Address 400 North Fourth Street
Title _____ Bismarck, ND 58501

AUTHENTICATED

Exhibit E, Revision 6
Contract No. 88-BAO-308
Montana-Dakota Utilities Co.

EXHIBIT E (Delivery Points)

1. This Exhibit E made this 19th day of July, 2004, effective under and as a part of Contract No. 88-BAO-308, dated July 1, 1988, hereinafter called the Contract, shall become effective on the first day of the November 2003 billing period, shall, on such effective date, terminate and supersede Exhibit E, dated May 23, 2002, and shall remain in effect until superseded by another Exhibit E or termination of the Contract.

2. Pursuant to Article 10 of the Contract, it is the intent of the parties hereto to identify the applicable points of delivery from the Montana-Dakota transmission facilities to loads of Western's customers. The points of delivery and metering adjustments for losses between the points of delivery and metering locations are set forth below.

Delivery Point	Nominal Delivery Voltage from the System of Montana-Dakota	Nominal Metering Voltage	Metering Adjustment
<u>CAPITAL ELECTRIC</u>			
East Bismarck	115,000	41,600	0.74% <u>1/</u>
Northwest Bismarck	115,000	41,600	0.55% <u>2/</u>
East Century	115,000	41,600	0.43% <u>3/</u>
South Washington (Emergency Point)	41,600	12,470	1.4% <u>4/</u>
Fort Lincoln (Emergency Point)	41,600	12,470	1.4%
<u>CENTRAL MONTANA</u>			
<u>Mid-Yellowstone</u>			
Horton	57,000	12,500	<u>5/</u>
Rosebud	57,000	12,500	2%
Forsyth (Emergency Point)	57,000	34,500	2%
<u>Northern</u>			
Benrud	57,000	24,900	2%

Exhibit E, Revision 6
 Contract No. 88-BAO-308
 Montana-Dakota Utilities Co.

Delivery Point	Nominal Delivery Voltage from the System of Montana-Dakota	Nominal Metering Voltage	Metering Adjustment
CENTRAL POWER			
Dakota Valley			
Ellendale	41,600	12,500	1.3%
Forbes	41,600	12,500	1.3%
Fredonia	41,600	12,500	1.3%
Kulm	41,600	12,500	1.3%
North Central			
Mohall	57,000	12,500	1.3%
Sherwood	57,000	24,900	1.3%
Wiley	57,000	12,500	1.3%
EAST RIVER			
FEM			
Eureka (New Town)	41,600	12,500	1.2% 6/
Hillsvie	41,600	12,500	1.2%
Leola	41,600	12,500	1.2%
Roscoe	41,600	12,500	1.2%
Tolstoy (Onaka)	41,600	12,500	1.2%
GRAND			
Lemmon	41,600	24,900	2%
KEM			
Ashley	41,600	12,500	1.3%
Danzig	41,600	12,500	1.0%
Linton	41,600	41,600	0
Napoleon	41,600	12,500	7/
Steele	41,600	12,500	0.9%
Tappen	41,600	12,500	7/
Midway	41,600	12,500	1.5%
Sukut	41,600	12,500	1.4%
Zeeland	41,600	12,500	1.8%

Exhibit E, Revision 6
 Contract No. 88-BAO-308
 Montana-Dakota Utilities Co.

Delivery Point	Nominal Delivery Voltage from the System of Montana-Dakota	Nominal Metering Voltage	Metering Adjustment
<u>MOR-GRAN-SOU</u>			
North Almont	41,600	12,500	2%
Elgin	69,000	12,500	2%
Glen Ullin	41,600	12,500	2%
Harmon	41,600	12,500	7/
Heart Butte	41,600	12,500	2% 8/
McLaughlin Tap	115,000	69,000	2% 9/
N. W. Mandan (Emergency)	115,000	115,000	0
<u>NORTHERN</u>			
Fredrick	41,600	12,500	1%
<u>OLIVER-MERCER</u>			
Hazen (Emergency)	41,600	41,600	0
<u>RUSHMORE</u>			
<u>Cam-Wal</u>			
Forest City	41,600	12,500	1.4%
Hoven	41,600	12,500	1.4%
Indian Creek	41,600	12,500	1.4%
Java	41,600	12,500	1.4%
Lebanon	41,600	12,500	1.4%
Pollock	41,600	12,500	1.4%
Selby	41,600	12,500	1.4%
Shamrock	41,600	41,600	0 10/
Whitlock	41,600	12,500	1.4% 11/
<u>Moreau Grand</u>			
Keldron	41,600	12,500	1.4%
McLaughlin Tap	115,000	69,000	1.4% 12/
McIntosh	41,600	12,500	1.4%

Exhibit E, Revision 6
 Contract No. 88-BAO-308
 Montana-Dakota Utilities Co.

Delivery Point	Nominal Delivery Voltage from the System of Montana-Dakota	Nominal Metering Voltage	Metering Adjustment
<u>UPPER MISSOURI</u>			
<u>Burke-Divide</u>			
Battleview	57,000	12,500	2%
Bowbells	57,000	12,500	7/
Crosby	57,000	12,500	7/
Greenbush	57,000	12,500	2%
Hanks	57,000	12,500	2%
Kincaid	57,000	12,500	2%
Lignite	57,000	12,500	7/
Niobe	57,000	12,500	2%
Norma	57,000	12,500	2% 13/
Northgate	57,000	12,500	2.18%
Twin Butte	57,000	12,500	2%
<u>Goldenwest</u>			
Golva	57,000	12,500	7/
Hodges	57,000	12,500	2%
Knutson	57,000	12,500	7/, 24/
North Baker	57,000	12,500	2%
Wibaux	57,000	12,500	2%
<u>Lower Yellowstone</u>			
Brockton	34,500	24,900	1.2%
Buford	57,000	12,500	1.2% 14/
Crane	57,000	12,500	1.4%
Dore	57,000	12,500	1.4% 15/
Fairview	57,000	12,500	0.7%
Ridgelawn	57,000	12,500	7/
Savage	57,000	12,500	1.1% 16/
South Bainville	57,000	12,500	1.1%
Trenton	57,000	12,500	1.1%
<u>McKenzie</u>			
Halliday	41,600	12,500	7/
Killdeer	41,600	41,600	0
Werner	41,600	12,500	7/
<u>Mountrail-Williams</u>			

Exhibit E, Revision 6
 Contract No. 88-BAO-308
 Montana-Dakota Utilities Co.

Delivery Point	Nominal Delivery Voltage from the System of Montana-Dakota	Nominal Metering Voltage	Metering Adjustment
Hanks	57,000	12,500	2%
Hofflund	57,000	12,500	7/
Missouri Ridge	57,000	12,500	7/
North Tioga	115,000	12,500	7/
Pleasant Valley	57,000	12,500	7/
Ray	57,000	12,500	7/
Stanley	69,000	69,000	0
Stony Creek	57,000	12,500	7/
Tioga	57,000	12,500	7/
White Earth	57,000	12,500	2%
Zahl	57,000	12,500	7/
<u>Sheridan</u>			
Brockton	34,500	7,500	2%
Coalridge	57,000	12,500	2%
Culbertson	57,000	12,500	7/, 25/
Dagmar	57,000	12,500	7/
Flaxville	57,000	12,500	2%
Froid	57,000	12,500	2%
Grenora	57,000	57,000	0
Medicine Lake	57,000	12,500	2%
North Bainville	57,000	12,500	7/
North Poplar	57,000	12,500	2%
Outlook	57,000	12,500	2%
Pleasant Prairie	57,000	12,500	2%
Plentywood	57,000	12,500	2%
Poplar	57,000	12,500	2%
Wolf Creek	57,000	12,500	2%
<u>Slope</u>			
Acme	41,600	12,500	2%
Amidon	57,000	12,500	2.3%
Bowman	57,000	12,500	0.9%
Cedar Butte	69,000	12,500	1.2%
Centipede	115,000	12,500	2%
Haley	41,600	12,500	1.5%
Haynes	41,600	12,500	1%
Marmarth	57,000	12,500	2%

Exhibit E, Revision 6
 Contract No. 88-BAO-308
 Montana-Dakota Utilities Co.

Delivery Point	Nominal Delivery Voltage from the System of Montana-Dakota	Nominal Metering Voltage	Metering Adjustment
Mott	41,600	12,500	2% <u>17/</u>
New England	41,600	12,500	0.8% <u>18/</u>
Reeder	41,600	12,500	1% <u>19/</u>
Rhame Tap	57,000	57,000	0
<u>Southeast</u>			
Baker	57,000	57,000	<u>20/</u>
<u>West Plains</u>			
Belfield	41,600	12,500	<u>7/ 23/</u>
Dickinson (Scheffield)	41,600	12,500	<u>7/</u>
Dodge	41,600	12,500	<u>7/ 21/</u>
Fryburg	41,600	12,500	<u>7/</u>
Lehigh	41,600	12,500	<u>7/</u>
Marshall	41,600	12,500	<u>7/</u>
Medora	41,600	12,500	<u>7/</u>
New Hradec	41,600	12,500	<u>7/</u>
Patterson	41,600	12,500	<u>7/</u>
Richardton	41,600	41,600	0 <u>22/</u>
Tracy Mountain	41,600	12,500	<u>7/</u>
<u>Southwest Water Authority</u>			
Dickinson-Pump Station	41,600	480	2.4%
Dickinson-Water Plant	480	480	2.4%
<u>IRRIGATION DISTRICTS</u>			
<u>Buford-Trenton Irrigation District</u>			
Buford-Trenton	57,000	2,400	2%
<u>Intake Irrigation District</u>			
Intake	57,000	2,400	2% + 3%
<u>Kinsey Irrigation Company</u>			
Kinsey	57,000	2,400	2%

- 1/ Under Agreement, dated December 17, 1971, between Capital Electric Cooperative, Inc. (Capital) and Montana-Dakota, power and energy will be delivered into the system of Montana-Dakota at the East Bismarck 115-kV Point of Delivery free of transmission line losses and wheeling fee charge.
- 2/ Under Agreement, dated November 17, 1977, between Capital and Montana-Dakota, power and energy will be delivered into the system of Montana-Dakota at the Northwest Bismarck 115-kV Point of Delivery free of wheeling fee charges. Capital and Montana-Dakota have included any mutually agreed upon transformer and transmission line losses in adjustment to meter reading calculations.
- 3/ A compensating meter has been installed by Western for Capital at the East Century Point of Delivery to adjust for transformation losses. Should the compensating meter fail, the uncompensated reading or estimate shall be increased by 0.37 percent for transmission losses and 0.39 percent for transformation losses at this delivery.
- 4/ The loss percentage for the South Washington Substation shall be 1.6 percent when both the South Washington and Fort Lincoln Substations are served from the South 9th Tap.
- 5/ Adjustment for meter readings for the Horton delivery to compensate for losses as provided above shall be 4,000 kilowatthours and five kilowatts each billing period or 2 percent of the metered amounts, whichever is greater.
- 6/ Deliveries of power and energy at the Eureka Point of Delivery shall be measured at East River Electric Cooperative, Inc. (East River) New Town Substation, ten miles east of the Eureka Point of Delivery.
- 7/ A compensating meter has been installed by Western for Montana-Dakota at this delivery point to adjust for transformation losses. Should the compensating meter fail, the uncompensated readings or estimates will be increased by 2 percent to compensate for losses in transformation at this delivery.
- 8/ Power and energy measured at the Heart Butte Point of Delivery will include power and energy furnished by Western to the Heart Butte Unit of Western Heart River Irrigation District and to the Heart Butte Dam Unit.
- 9/ Under Agreement, dated October 10, 1973, between Mor-Gran-Sou Electric Cooperative, Inc. (Mor-Gran-Sou) and Montana-Dakota, power and energy will be provided by Mor-Gran-Sou from the McLaughlin Tap Point of Delivery to Montana-Dakota's load at Selfridge, North Dakota. Mor-Gran-Sou and Montana-Dakota have included any mutually agreed upon transformer and transmission

- and distribution line losses in adjustment to meter reading calculations. Power and energy measured at the McLaughlin Tap Point of Delivery will include power and energy furnished by Western to the Standing Rock Fort Yates Irrigation Unit and the Standing Rock Cannonball Irrigation Unit.
- 10/ Power and energy measured at the Shamrock Point of Delivery will include power and energy furnished by Western to the Cheyenne River Sioux Tribe-Moreau River Irrigation Unit.
- 11/ Power and energy measured at the Whitlock Point of Delivery will include power and energy furnished by Western to the Agar Water Storage Tank (WST), Gettysburg WST, Gettysburg Booster Station, and Simon/Hoven Pressure Reducing Station.
- 12/ Power and energy measured at the McLaughlin Tap Point of Delivery will include power and energy furnished by Western to the City of McLaughlin, North Dakota, and Standing Rock Sioux Tribe-Eagle Unit.
- 13/ Under Agreement, dated September 23, 1986, between Burke-Divide and Montana-Dakota, power and energy will be provided by Burke-Divide from the Norma Point of Delivery to Montana-Dakota's load at Norma, North Dakota. Burke-Divide and Montana-Dakota have included any mutually agreed upon transformer and distribution line losses in adjustment to meter reading calculations.
- 14/ Power and energy measured at the Buford Point of Delivery will include power and energy furnished by Western to the Nohly Pumping Plant and Buford-Trenton Supplemental.
- 15/ Power and energy measured at the Dore Point of Delivery will include power and energy furnished by Western to the Drain 27 Pumping Plant.
- 16/ Power and energy measured at the Savage Point of Delivery will include power and energy furnished by Western to Savage Pumping and Thomas Point Pumping.
- 17/ Power and energy measured at the Mott Point of Delivery will include power and energy furnished by Western to the Burt Pump Station of Southwest Water Authority (SWA). SWA has made its own arrangements with Slope Electric Power Cooperative (Slope Electric) for delivery of this power and energy over the system of Montana-Dakota. Therefore, Western will not credit Montana-Dakota for transmission of this power and energy, and Western will increase the adjusted meter reading by 7 percent for transmission losses over Montana-Dakota's system.

- 18/ Power and energy measured at the New England Point of Delivery will include power and energy furnished by Western to the Jung Lake Pump Station of SWA. SWA has made its own arrangements with Slope Electric for delivery of this power and energy over the system of Montana-Dakota. Therefore, Western will not credit Montana-Dakota for transmission of this power and energy, and Western will increase the adjusted meter reading by 7 percent for transmission losses over Montana-Dakota's system.
- 19/ Power and energy measured at the Reeder Point of Delivery will include power and energy furnished to the Bucyrus Pump Station and the Scranton Booster Station of SWA. SWA has made its own arrangements with Slope Electric for delivery of this power and energy over the system of Montana-Dakota. Therefore, Western will not credit Montana-Dakota for transmission of this power and energy, and Western will increase the adjusted meter reading by 7 percent for transmission losses over Montana-Dakota's system.
- 20/ Power and energy measured at Baker shall include power and energy furnished by Montana-Dakota to Camp Crook, South Dakota. The meter should be adjusted as follows:
metered amount at Baker less (deliveries to Montana-Dakota at Camp Crook X 1.10).
- 21/ Power and energy measured at the Dodge Point of Delivery will include power and energy transmitted by Upper Missouri G&T Electric (Upper Missouri) to the SWA Dodge Station Delivery. SWA has made its own arrangements with West Plains Electric Power Cooperative (West Plains Electric) for delivery of this power and energy over the system of Montana-Dakota. Therefore, Western will not credit Montana-Dakota for transmission of this power and energy, and Western will increase the adjusted meter reading by 7 percent for transmission losses over Montana-Dakota's system.
- 22/ Power and energy measured at the Richardton Point of Delivery will include power and energy transmitted by Upper Missouri to the SWA Richardton Station Delivery. SWA has made its own arrangements with West Plains Electric for delivery of this power and energy over the system of Montana-Dakota. Therefore, Western will not credit Montana-Dakota for transmission of this power and energy, and Western will increase the adjusted meter reading by 7 percent for transmission losses over Montana-Dakota's system.
- 23/ Power and energy measured at the Belfield Point of Delivery will include power and energy transmitted by Upper Missouri G&T to the SWA Fryburg Station Delivery. SWA has made its own arrangements with West Plains Electric for delivery of this power and energy over the system of Montana-Dakota.

Therefore, Western will not credit Montana-Dakota for transmission of this power and energy, and Western will increase the adjusted meter reading by 7 percent for transmission losses over Montana-Dakota's system.

- 24/ Power and energy measured at the Knutson Point of Delivery will include power and energy transmitted by Upper Missouri G&T to the SWA Beach Station Delivery. SWA has made its own arrangements with Golden West Electric Cooperative for delivery of this power and energy over the system of Montana-Dakota. Therefore, Western will not credit Montana-Dakota for transmission of this power and energy, and Western will increase the adjusted meter reading by 7 percent for transmission losses over Montana-Dakota's system.
- 25/ Power and energy measured at the Culbertson Point of Delivery will include power and energy transmitted by Montana-Dakota to the Dry Prairie Rural Water Authority (Dry Prairie) Culbertson Pump Station Point of Delivery. Dry Prairie has made its own arrangements with Montana-Dakota for delivery of this power and energy over the system of Montana-Dakota. Therefore, Western will not credit Montana-Dakota for transmission of this power and energy, and Western will not increase the adjusted meter reading by 7 percent for transmission losses over Montana-Dakota system. Western will not provide transmission line losses to this delivery because Montana-Dakota has included the cost of the losses in the rate charged to the Dry Prairie Rural Water Authority.

3. Western agrees that it will require the deenergizing of all transformers used solely by any of the above-listed irrigation districts to operate irrigation or drainage pumps during the non-irrigation season except when power is required for testing or maintenance purposes, and when water is required in order to process crops for market.

WESTERN AREA POWER ADMINISTRATION

By Robert Riell

Title Power Marketing Manager

Address P.O. Box 35800

Billings, MT 59107-5800



MONTANA-DAKOTA UTILITIES CO.
A DIVISION OF MDU RESOURCES
GROUP, INC.

By Julia Stenberg

Title V.P., Electric Supply

Address 400 North Fourth Street

Bismarck, ND 58501

Attest: Douglas W. Schulz
By Douglas W. Schulz
Title Assistant Secretary

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EXHIBIT F
(Rates for Nonfirm Energy)

1. This Exhibit F is made this 3rd day of November, 1993, to be effective under and as a part of Contract No. 88-BAO-308, dated July 1, 1988, hereinafter called the Contract, shall become effective on October 1, 1993, and shall remain in effect until either superseded by another Exhibit F or the termination of the Contract.

2. Compensation for Nonfirm Energy furnished under the Contract during any billing period shall be as follows:

2.1 MAINTENANCE ENERGY: Montana-Dakota shall compensate Western for the electric energy scheduled for delivery as Maintenance Energy at the following rates established by the Administrator:

2.1.1 Fourteen mills (\$0.014) per kilowatt-hour for guaranteed availability of one (1) week or less.

2.1.2 Sixteen mills (\$0.016) per kilowatt-hour for guaranteed availability of longer than one (1) week, but less than five (5) weeks.

2.1.3 If Western establishes a rate which will be applicable to such Maintenance Energy different from the rates set forth above, it will promptly notify Montana-Dakota and such rate shall become effective as of the date of such notice and this Exhibit F shall be revised accordingly.

2.2 RECIPROCAL BREAKDOWN OR EMERGENCY ENERGY: Montana-Dakota shall compensate Western, for the electric energy scheduled for delivery as Breakdown or Emergency Energy, an amount equal to thirty mills (\$0.030) per kilowatt-hour. Western agrees to compensate Montana-Dakota for all such electric energy scheduled by Montana-Dakota during any billing period at a rate which is the greater of thirty mills (\$0.030) per kilowatt-hour or one hundred and ten percent (110%) of the incremental costs of supplying such energy. Montana-Dakota shall furnish the Contracting Officer from time to time such data as, in the opinion of the Contracting Officer, may be required to establish such incremental costs. If the delivering Party, at the request of the receiving Party, purchases energy from other systems with which it is interconnected in order to supply electric energy for Breakdown or Emergency energy, the receiving Party shall pay for the energy supplied, an amount equal to one hundred and fifteen percent (115%) of the cost of the energy so purchased for delivery to that Party plus any applicable charges, including losses paid by the delivering Party, in utilizing transmission facilities of others in delivery thereof. If Western establishes a charge which will be applicable to such Breakdown or Emergency Energy different from the thirty mills (\$0.030) per kilowatt-hour set forth above, it will promptly notify Montana-Dakota and such rate shall become effective as of the date of said notice and this Exhibit shall be revised accordingly.

2.3 ECONOMY ENERGY: Montana-Dakota shall compensate Western for the Economy Energy scheduled hereunder during any billing period at a rate based upon the pricing for short-term energy sales among power suppliers within the interconnected systems. This rate shall be agreed upon by Western's authorized representative and Montana-Dakota's authorized representative in advance of the transaction. The agreed upon rate shall represent the final billing price for the Economy Energy.

2.4 PURCHASE OF ELECTRIC ENERGY BY WESTERN: Western agrees to compensate Montana-Dakota for all electric energy furnished by Montana-Dakota during any billing period through either one of the following two methods as agreed to in advance of the purchase.

2.4.1 At a rate equal to one hundred and fifteen percent (115%) of the incremental costs of fuel required to generate the energy supplied, plus any additional costs to Montana-Dakota incurred in starting up and operating generating units that would have remained idle if Montana-Dakota had not furnished energy to Western hereunder. Montana-Dakota shall furnish the Contracting Officer from time to time such data as, in the opinion of the Contracting Officer, may be required to establish such incremental costs.

2.4.2 At a rate determined pursuant to the provisions of the Mid-Continent Area Power Pool Service Schedule M upon approval of that schedule by the Federal Energy Regulatory Commission.

EXHIBIT G

(Western's Maximum Load Obligation)

1. This Exhibit G is made this 3rd day of November, 1993, to be effective under and as a part of Contract No. 88-BAO-308, dated July 1, 1988, hereinafter called the Contract, shall become effective October 1, 1993, and shall remain in effect until either superseded by another Exhibit G or the termination of the Contract.
2. WESTERN'S MAXIMUM OBLIGATION OF THE CUSTOMER'S LOAD: Western's maximum obligation, in kilowatts, of the customer's total load are set forth below.

WESTERN'S MAXIMUM OBLIGATION OF THE CUSTOMER'S LOAD (kW)

<u>Cooperative</u>	<u>Point of Delivery</u>	<u>KW</u>
Central Montana Electric Cooperative	Benrud	1,615
	Horton	1,710
	Rosebud	1,095
Central Power Electric Cooperative	Ellendale	715
	Fredonia	510
	Forbes	375
	Kulm	40
	Mohall	930
	Sherwood	1,675
East River Electric Power Cooperative FEM Electric Association	Eureka	630
	Hillsview	530
	Leola	665
	Roscoe	585
	Tolstoy	380
Grand Electric Cooperative	Lemmon	565
KEM Electric Cooperative	Ashley	545
	Danzig	535
	Linton	2,895
	Midway	950
	Napoleon	1,260
	Steele	895
	Sukut	695
	Tappen	1,525
	Zeeland	870

WESTERN'S MAXIMUM OBLIGATION OF THE CUSTOMER'S LOAD (kW)

<u>Cooperative</u>	<u>Point of Delivery</u>	<u>KW</u>
Mor-Gran-Sou Electric Cooperative	Custer Trail	485
	DeVaul (12.5-kV)	365
	Elgin	295
	Glen Ullin	395
	Heart Butte	185
	McLaughlin	515
	North Almont	165
	Plainsview	320
Northern Electric Cooperative	Fredrick	1,730
Rushmore Electric Power Cooperative (Cam-Wal)	Artas	335
	Forest City	730
	Hoven	585
	Indian Creek	560
	Java	275
	Lebanon	330
	Pollock	405
	Selby	595
	Shamrock	680
	Whitlock	1,325
Rushmore Electric Power Cooperative (Moreau-Grand)	Keldron	165
	McLaughlin	3,005
	Morristown	310
Upper Missouri G&T Electric Cooperative, Inc.	Acme	275
	Amidon	205
	Bainville	375
	Baker	1,170
	Battleview	445
	Belfield	1,245
	Bowbells	410
	Bowman	500
	Brockton (Lower)	545
	Brockton (Sheridan)	45
	Buford	335
	Cedar Butte	205
	Centipede	305
	Coalridge	925
	Crane	205
	Crosby	550

WESTERN'S MAXIMUM OBLIGATION OF THE CUSTOMER'S LOAD (kW)

<u>Cooperative</u>	<u>Point of Delivery</u>	<u>KW</u>
Upper Missouri G&T Electric Cooperative, Inc. (continued)	Culbertson	545
	Dagmar	360
	Dickinson (Sheffield)	540
	Dodge	130
	Dore	265
	Fairview	260
	Flaxville	275
	Froid	290
	Fryburg	640
	Golva	270
	Greenbush	260
	Grenora	1,545
	Haley	250
	Halliday	335
	Hanks (Burk-Divide)	290
	Hanks (Williams REC)	165
	Haynes	345
	Hodges	130
	Killdeer	565
	Kincaid	260
	Knutson	605
	Larson	150
	Lehigh	1,210
	Lignite	510
	Marmarth	85
	Marshall	485
	Medicine Lake	430
	Medora	920
	Missouri Ridge	1,075
	Mott	205
	New England	655
	New Hradec	2,045
	Niobe	230
Norma	685	
North Baker (Goldenwest)	130	
North Poplar	205	
Outlook	320	
Patterson	1,040	
Phillips	245	
Pleasant Prairie	225	
Pleasant Valley	705	
Plentywood	350	

WESTERN'S MAXIMUM OBLIGATION OF THE CUSTOMER'S LOAD (kW)

<u>Cooperative</u>	<u>Point of Delivery</u>	<u>KW</u>
Upper Missouri G&T Electric Cooperative, Inc. (continued)	Poplar	345
	Ray	965
	Reeder 375	
	Rhame Tap	765
	Richardton	805
	Ridgelawn	620
	Savage	230
	South Bainville	250
	Stanley	3,850
	Stony Creek	920
	Tioga-Williams	850
	Trenton	550
	Twin Butte	170
	Werner	375
	White Earth	230
	Wibaux	480
Wolf Creek	385	
Zahl	355	
<u>Irrigation Districts</u>		<u>KW</u>
Buford -Trenton Irrigation District		655
Intake Irrigation District		45
Kinsey Irrigation District		825
Lower Yellowstone Irrigation District		230
Savage Irrigation Districts		405
<u>Other</u>		<u>KW</u>
Cheyenne River Sioux Tribe		855
Standing Rock Sioux Tribe		870
City of McLaughlin	McLaughlin	1,735

EXHIBIT H
(Montana-Dakota's Maximum Load Obligation)

1. This Exhibit H is made this 3rd day of November, 1993, to be effective under and as a part of Contract No. 88-BAO-308, dated July 1, 1988, hereinafter called the Contract, shall become effective October 1, 1993, and shall remain in effect until either superseded by another Exhibit H or the termination of the Contract.

2. MONTANA-DAKOTA'S MAXIMUM OBLIGATION OF THE CUSTOMER'S LOAD:
Montana-Dakota's maximum obligation, in kilowatts, of the customer's total load are set forth below.

MONTANA-DAKOTA'S MAXIMUM OBLIGATION OF THE CUSTOMER'S LOAD (kW)

<u>Point of Delivery</u>	<u>kW</u>
O'Fallon	1,550
Watford City	3,700
Wolf Point	5,500
Miles City	19,000
Medora	4,500
Killdeer	1,700
Halliday	1,100
Whitlock	3,800
Baker	17,000
Bowman	3,100
Culbertson	3,100
DeVaul	2,900
Herbert Weber	1,600
Rosebud	5,900
Glenham	22,600
Hettinger	12,200
Lewis & Clark	16,100
Glendive	19,600
Dickinson	30,000
Kenmare-Tioga	17,500
Williston	32,000
Poplar	6,500
Beulah-Bismarck- Heskett	169,000