# BASIN ELECTRIC POWER COOPERATIVE WHOLESALE POWER CONTRACT

AGREEMENT made as of September 21, 1964, between Basin Electric Power Cooperative (hereinafter called the "Seller"), a corporation organized and existing under the laws of the State of North Dakota, and KEM Electric Cooperative, Inc. (hereinafter called the "Member"), a corporation organized and existing under the laws of the State of North Dakota.

WHEREAS, the Seller proposes to construct an electric generating plant or transmission system or both, and may purchase or otherwise obtain electric power and energy for the purpose, among others, of supplying electric power and energy to borrowers from the Rural Electrification Administration which are or may become members of the Seller; and

WHEREAS, the Seller contemplates the introduction of the power and energy of such proposed electric generating plant into the transmission system of the Bureau of Reclamation for delivery through facilities of the Bureau of Reclamation, including both transmission lines and substation equipment to its Members; and

WHEREAS, the Seller may, along with other electric cooperatives, enter into a contract with the Bureau of Reclamation to establish a "joint transmission system" including specifically described facilities, and contemplating additions to said joint transmission system under certain conditions, over which said joint transmission system Seller may deliver to Member power and energy under this contract; and

WHEREAS, the Seller has heretofore entered into or is about to enter into agreements for the sale of electric power and energy similar in form to this agreement with all of the borrowers which are members of the Seller, and may enter into similar contracts with other such borrowers who may become members; and

WHEREAS, the Member desires to purchase electric power and energy from the Seller on the terms and conditions herein set forth;

NOW, THEREFORE, in consideration of the mutual undertakings herein contained, the parties hereto agree as follows:

1. General. The Seller shall sell and deliver to the Member and the Member shall purchase and receive from the Seller the electric power and energy which the Member shall require in addition to power and energy available to the Member from the other power sources listed below; provided, however,

Amend 5-16-68 To the extent that the Seller shall have such power and energy and facilities available, but not to exceed 15,000 KW. Peterson 7-12-68

a. The power and energy purchased hereunder shall be furnished in accordance with the normal load pattern of the Member's system;

b. The maximum demand of the Member supplied by the Seller in the month when the simultaneous maximum demands of the Member and all other Member Cooperatives supplied by the Seller equal in the aggregate

Dakota Amend 5-16-68



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KEM Exhibit 4 - Basin Electric Power Cooperative Wholesale Power Contract and Amendments (KEM0001-0058)
KEM Electric Coop Inc.

88% of the test capabilities of the Seller's generating unit shall continue during the remainder of the contract term to be the amount of power and energy which the Member shall be obligated to purchase and receive and the Seller shall be obligated to sell and deliver hereunder;

Delete A wards 5/16/58

c. Seller's obligation to furnish and the Member's obligation to receive and pay for electric power and energy hereunder shall commence upon completion of the generation and transmission facilities necessary for service hereunder and upon the availability to the Seller of necessary transmission and related facilities, including those of the Bureau of Reclamation;

d. The Member shall have the right during the term of this Agreement to continue to obtain power and energy from the power sources and in the amounts listed below:

| | | |
|---|---|---|
| Bureau of Reclamation | 8,297 | kw |
| Member's Generating Plant | | kw |
| Other | | kw |

provided, however, that if the Seller at any time and from time to time is unable to sell on a firm power rate basis the entire capacity of the Seller's generating unit, the Member shall reduce its purchases from the Bureau of Reclamation to the extent requested by the Seller and shall increase its purchases from the Seller in the amount of the requested reduction of purchases from the Bureau of Reclamation. The amount of reduction of Bureau of Reclamation power purchases which the Member shall be requested to make shall either

i. bear the same ratio to the aggregate of the reductions which all Members shall be requested to make as the contract rate of delivery of the Member under its contract with the Bureau of Reclamation bears to the aggregate of the contract rates of delivery to all Members under their contracts with the Bureau of Reclamation; or

ii. be such other amount as the Seller and the Member may agree upon in order to minimize the loss in wheeling payments from, and billing penalty payments to, the Bureau of Reclamation under all the Members' contracts with the Bureau of Reclamation.

To the extent that the reduction of power purchases from the Bureau of Reclamation by the Member pursuant to such request of the Seller results in:

i. the loss of wheeling payments which otherwise would have been made to the Member by the Bureau of Reclamation, or

ii. in the Member's becoming liable for billing penalty payments under its power contract with the Bureau of Reclamation which it would not have otherwise incurred,

the amounts thereof shall be determined and the effects spread equitably among all the Members by means of a surcharge in the Rate Schedule.

e. In addition to the supply under the preceding paragraph (d), the Member shall have the right to continue to purchase power and energy under the following contract (s) during the remainder of the term thereof and shall terminate such contract (s) as soon as it may legally do so if the Seller shall, with the approval or at the direction of the Administrator of the Rural Electrification Administration (hereinafter called the "Administrator", so request: No others

f. The Seller shall not be obligated to supply power and energy hereunder to the Member in excess of that amount which, together with all amounts of power and energy supplied by the Seller to all other Members of the Seller, shall equal 88% of the test capability of the Seller's generating unit.

2. Electric Characteristics and Delivery Point (s). Electric power and energy to be furnished hereunder shall be alternating current, three phase, sixty cycle. The Seller shall deliver such electric power and energy into the transmission system of the Bureau of Reclamation, and the Member shall receive such power and energy at the point (s) of delivery on the transmission system of the Bureau or the joint transmission system contemplated to be established by a Pooling Agreement between the Seller, Bureau and others, as shall be scheduled by the Member, and such other point or points as may be agreed upon by the Seller and the Member.

3. Substation. Delivery of electric power and energy shall be through the necessary substation equipment at the point (s) of connection with the transmission system of the Bureau of Reclamation or the joint system. The Member shall own and maintain switching and protective equipment which may be reasonably necessary to enable the Member to take and use the electric power and energy hereunder. Meters and metering equipment shall be furnished, maintained and read by the Bureau of Reclamation and shall be located at the point of delivery on the low voltage side of such transforming equipment.

4. Rate. (a) The Member shall pay the Seller for all electric power and energy furnished hereunder at the rates and on the terms and conditions set forth in Rate Schedule "A", attached hereto and made a part hereof.

(b) The Board of Directors of the Seller at such intervals as it shall deem appropriate, but in any event not less frequently than once in each

calendar year, shall review the rate for electric power and energy furnished hereunder and under similar agreements with other Members and, if necessary, shall revise such rate so that it shall produce revenues which shall be sufficient, but only sufficient, with the revenues of the Seller from all other sources, to meet the cost of the operation and maintenance (including, without limitation, replacements, insurance, taxes and administrative and general overhead expenses) of the generating plant, transmission system and related facilities of the Seller, the cost of any power and energy purchased for resale hereunder by the Seller, the cost of transmission service, make payments on account of principal of and interest on all indebtedness of the Seller, and to provide for the establishment and maintenance of reasonable reserves. The Seller shall cause a notice in writing to be given to the Member and other Members of the Seller and the Administrator which shall set out all the proposed revisions of the rate with the effective date thereof, which shall be not less than thirty (30) nor more than forty-five (45) days after the date of the notice, and shall set forth the basis upon which the rate is proposed to be adjusted and established. The Member agrees that the rate from time to time established by the Board of Directors of the Seller shall be deemed to be substituted for the rate herein provided and agrees to pay for electric power and energy furnished by the Seller to it hereunder after the effective date any such revisions at such revised rates; provided, however, that no such revision shall be effective unless approved in writing by the Administrator.

5. Meter Readings and Payment of Bills. Appropriate operating procedures shall be established to monthly determine the electric power and energy delivered and to be billed by Seller to the Member. Electric power and energy furnished hereunder shall be paid for at the office of the Seller in Bismarck, North Dakota, monthly within fifteen (15) days after the bill therefor is mailed to the Member. If the Member shall fail to pay any such bill within such fifteen-day period, the Seller may discontinue delivery of electric power and energy hereunder upon fifteen (15) days' written notice to the Member of its intention so to do.

6. Meter Testing and Billing Adjustment. All meters shall be tested and calibrated as provided for in the contract between the Member and the Bureau of Reclamation. The Member shall request a special test of meters delivering power or energy to it under the Member's contract with the Bureau of Reclamation, upon the request of the Seller. If any special meter test made at the Seller's request shall disclose that the meters are recording accurately, the Seller shall reimburse the Member for the cost of such test. Meters registering not more than two per cent (2%) above or below normal shall be deemed to be accurate. The readings of any meter which shall have been disclosed by test to be inaccurate shall be corrected for the ninety (90) days previous to such test in accordance with the percentage of inaccuracy found by such test. If any meter shall fail to register for any period, the Member and the Seller shall agree as to the amount of energy furnished during such period and the Seller shall render a bill therefor.

7. Notice of Meter Reading or Test. The Member shall notify the Seller in advance of the time of any meter reading or test so that the Seller's representative may be present at such meter reading or test.

8. Right of Access. Duly authorized representatives of either party hereto ...ll be permitted to enter the premises of the other party hereto at all reasonable ...es in order to carry out the provisions hereof.

9. Continuity of Service. The Seller shall use reasonable diligence to provide a constant and uninterrupted supply of electric power and energy hereunder. If the supply of electric power and energy shall fail or be interrupted, or become defective through an act of God or of the public enemy, or because of accident, failure in the joint transmission system, labor troubles, or any other cause beyond the control of the Seller, the Seller shall not be liable therefor or for damages caused thereby.

10. Term. This Agreement shall become effective only upon approval in writing by the Administrator and shall remain in effect until January 1, ~~2002,~~ 2010 5-16-68 / 2020 7-12-73 and thereafter until terminated by either party's giving to the other not less than six months' written notice of its intention to terminate. Subject to the provisions of Article I hereof, service hereunder and the obligation of the Member to pay therefor shall commence upon completion of the facilities necessary to provide service.

EXECUTED THE day and year first above mentioned.

BASIN ELECTRIC POWER COOPERATIVE, Seller

By _____
President

ATTEST:

_____
Secretary

KEM ELECTRIC COOPERATIVE, INC., Member

By _____
President

ATTEST:

_____
Secretary

[illegible]
Provident Life Building, Bismarck, North Dakota : Area Code 701 223-0441

*Power Marketing Information*

Initial Rate Schedule
Approved by REA 1/14/64

## SCHEDULE A

Schedule of Rates for Wholesale Firm Power Service Effective: October 1, 1965.

Available:

To Class "A" Members of Basin Electric Power Cooperative.

Applicable:

To wholesale power customers for power service supplied through one meter at each of one or more points of delivery. Not applicable to standby or auxiliary service, except that service auxiliary to other purchased power supply will be permitted under appropriate contract terms.

Character and Conditions of Service:

Alternating current, sixty cycles, three phase, delivered at specified point(s) of delivery on the Joint Transmission System as defined in the United States Bureau of Reclamation - Basin Electric Power Cooperative Contract and as specified in the respective Member - Basin Contract.

Monthly Rate:

| | |
|---|---|
| Capacity Charge: | $1.10 per kilowatt of billing demand. |
| Energy Charge: | $0.003 per kilowatt hour |

Minimum Annual Capacity Charge:

$10.56 per kilowatt of the highest monthly billing demand within the calendar year.

Basis for Billing:

The billing demand shall be the highest 30-minute integrated demand (or corrected to a 30-minute basis in the event where 15-minute demand registers are installed) measured during the billing period. Inasmuch as power is supplied to Class A Members by both the United States Bureau of

Reclamation and Basin Electric Power Cooperative through common metering, Basin Electric Power Cooperative billings shall be determined as follows:

Where:

D - Shall be defined as the DEMAND - for the current billing period - determined on a basis in accordance with contract (s) in effect between the Member and the United States Bureau of Reclamation.

E - Shall be defined as the ENERGY delivered during the billing period, as determined on a basis in accordance with contract (s) in effect between the Member and the United States Bureau of Reclamation.

X - Shall be defined as the Contract Rate of firm power delivery as agreed to and as defined by contract (s) in effect between the Member and the United States Bureau of Reclamation.

Y - Shall be defined as the Highest Demand (Factor 'D'), determined in accordance with contract (s) in effect between the Member and the United States Bureau of Reclamation.

Then:

$B_D$ = Basin Electric Power Cooperative, Inc. monthly demand (KW) billing.

$B_E$ = Basin Electric Power Cooperative, Inc. monthly energy (Kwh) billing.

$B_D = D\ (1 - X/Y)$

$B_E = E\ (1 - X/Y)$

Note: The ratio X/Y shall never be more than one.

Billing Periods:

Basin Electric Power Cooperative billing periods shall be established to coincide with the meter reading schedules of the United States Bureau of Reclamation.

Adjustments for Power Factor:

The Member agrees to maintain unity power factor as nearly as practicable and such Member will be required to maintain an average power factor at the point of delivery of between 90% lagging and 90% leading. In the event that Basin determines by test that these tolerances are exceeded; the Member shall at his own expense, remedy the Power Factor to a value within these tolerances.

BE IT RESOLVED That KEM Electric Cooperative, Inc. shall enter into those certain agreements as presented in the Contract for Wholesale Power with Basin Electric Power Cooperative being made available to Class A members of Basin Electric Power Cooperative.

BE IT FURTHER RESOLVED That the President and Secretary may be and they hereby are authorized and directed to execute and deliver, on behalf of this Cooperative, all documents necessary to consummate such agreements.

## CERTIFICATION

I, Fred J. Ohlhauser, secretary of the KEM Electric Cooperative, Inc. do hereby certify that the foregoing is a true and correct copy of the resolution adopted at the regular meeting of the Board of Directors of the KEM Electric Cooperative, Inc. of Linton, North Dakota held September 21, 1964 as it appears in the minute book of the corporation and that it has not been rescinded or modified.

Fred J. Ohlhauser.
Secretary of KEM Electric Cooperative, Inc.

October 15, 1964

Basin Electric Power Cooperative
Provident Life Building
Bismarck, North Dakota

Subject: KEM Electric Cooperative, Inc., Class "A" Membership and Power Contract Basin Electric Power Cooperative

Dear Sirs:

I have examined:

(a) The Articles of Incorporation and by-laws of KEM Electric Cooperative, Inc., (hereinafter called the "Member"), now in effect;

(b) All corporate proceedings of the Member occurring since August 14, 1962, relative to the adoption of the by-laws of the Member or any amendments to its by-laws or Articles of Incorporation;

(c) The minutes of a regular meeting of the Board of Directors of the Member cooperative held on August 14, 1962, at which action was taken authorizing and directing the President and the Secretary-Treasurer of said Member to make application for a Class "A" membership in Basin Electric Power Cooperative, (hereinafter called "Seller");

(d) The minutes of a regular meeting of the Board of Directors of the Member held on September 21, 1964, at which time a resolution was adopted by the directors of the Member cooperative authorizing the Member cooperative to enter into the contract forthe purchase of wholesale power from Basin Electric Power Cooperative, and directing the President and Secretary of said Member cooperative to execute and deliver, on behalf of said Member cooperative, all documents, instruments and contracts necessary to consummate said agreement;

(e) All corporate proceedings of the Member cooperative relative to the election of its directors and its officers holding office at the time such meetings were held and such documents were executed;

(f) The written contract bearing date September 21, 1964, between the Seller and the Member, and signed and executed by the President and attest by the Secretary of the Member cooperative and unsigned by the Seller.

I am of the opinion that:

(1) The Member cooperative is a duly organized and existing corporation in good standing under the laws of the State of North Dakota; its by-laws have been duly adopted, and its Articles of Incorporation and by-laws are in the form authorized by law.

(2) That the by-laws of the Member cooperative authorize its Board of Directors to make application and acquire a membership in the Seller cooperative.

ROBERT CHESROWN
ATTORNEY AT LAW
LINTON, NORTH DAKOTA

(3) That all the action necessary to acquire a Class "A" membership in the Seller cooperative has been taken by the Board of Directors of the Member Cooperative, and that said Member presently holds a legal and valid Class "A" Membership Certificate in said Seller cooperative.

(4) That all action of the Member cooperative, its Board of Directors and Officers in connection with the execution of the Basin Electric Cooperative Wholesale Contract bearing date September 21, 1964, has been done; that said instrument, a copy of which is hereto attached, is a valid and binding contract for the sale and purchase of wholesale power between the parties thereto when same has been properly signed and executed by the Seller and approved in writing by the Administrator of the Rural Electrification Administration.

Respectfully submitted,

Robert Chesrown
Attorney at Law
Linton, N. Dak.

RC:amb

ROBERT CHESROWN
ATTORNEY AT LAW
LINTON, NORTH DAKOTA

AMENDMENT TO

WHOLESALE POWER CONTRACT

by and between

BASIN ELECTRIC POWER COOPERATIVE

and

KEM Electric Cooperative, Inc.

AGREEMENT made as of May 16, 1968, between Basin Electric Power Cooperative (hereinafter called the "Seller"), a corporation organized and existing under the laws of the State of North Dakota, and KEM Electric Cooperative, Inc., (hereinafter called the "Member"), a corporation organized and existing under the laws of the State of North Dakota.

WHEREAS, the Seller has constructed an electric generating plant and transmission system and may construct additional generating capacity or purchase or otherwise obtain electric power and energy for the purpose, among others, of supplying electric power and energy to borrowers from the Rural Electrification Administration which are or may become members of the Seller; and

WHEREAS, the Seller has contracted for the introduction of the power and energy produced by such electric generating plant into the transmission system of the Bureau of Reclamation for delivery to its members through facilities of the Bureau of Reclamation, including both transmission lines and substation equipment; and

WHEREAS, the Seller, along with other electric cooperatives, has entered into a contract with the Bureau of Reclamation to establish a "Joint Transmission System" including specifically described facilities and contemplated additions to said joint transmission system under certain conditions, over which said joint transmission system Seller may deliver to Member electric service under this contract; and

WHEREAS, the Seller has heretofore entered into or is about to enter into agreements for the sale of electric service similar in form to this agreement with REA borrowers which are Class "A" members of the Seller, and may enter into similar contracts with other such borrowers which may be or become Class "A" members; and

WHEREAS, the Seller may construct delivery facilities to make delivery of power and energy to its Members in addition to delivery facilities of the Joint Transmission System; and

WHEREAS, the member has heretofore entered into a wholesale power contract with Seller (hereinafter referred to as the "Power Contract") dated September 30, 1965, and the parties hereto desire to amend said Power Contract on the terms and conditions herein set forth:

NOW, THEREFORE, in consideration of the mutual undertakings herein contained, the parties hereto agree as follows:

1. Paragraph 1 of the Power Contract is hereby amended to read as follows:

"1. General. The Seller shall sell and deliver to the Member and the Member shall purchase and receive from the Seller the electric power and energy which the Member shall require in addition to power and energy available to the Member from the other power sources listed below, to the extent that the Seller shall have such power and energy and facilities available, but not to exceed 15,939 KW; provided, however, ** ** **"

2. Paragraph 1 (b) of the Power Contract is hereby deleted.

3. Paragraph 1 (f) of the Power Contract is hereby deleted.

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4. Paragraph 10 of the Power Contract is hereby amended by deleting the date "January 1, 2002" in line 2 thereof, and substituting therefore the date "January 1, 2010".

5. This Amendment to the Power Contract shall become effective when approved in writing by the Administrator of the Rural Electrification Administration.

EXECUTED the day and year first above mentioned.

BASIN ELECTRIC POWER COOPERATIVE, Seller

By _____
President

ATTEST:

_____
Secretary

KEM Electric Cooperative, Inc., Member

By Herbert Weber
President

ATTEST:

_____
Secretary

For information purposes, we show the amended and deleted sections as follows:

1. General. The Seller shall sell and deliver to the Member and the Member shall purchase and receive from the Seller the electric power and energy which the Member shall require in addition to power and energy available to the Member from the other power sources listed below; provided, however, * * * *

1. (b) The maximum demand of the member supplied by the Seller in the month when the simultaneous maximum demands of the Member and all other Member cooperatives supplied by the Seller equal in the aggregate 88% of the test capabilities of the Seller's generating unit shall continue during the remainder of the contract term to be the amount of power and energy which the Member shall be obligated to sell and deliver hereunder;

1. (f) The Seller shall not be obligated to supply power and energy hereunder to the Member in excess of that amount which, together with all amounts of power and energy supplied by the Seller to all other Members of the Seller, shall equal 88% of the test capability of the Seller's generating unit.

10. Term. This Agreement shall become effective only upon approval in writing by the Administrator and shall remain in effect until January 1, 2002, and thereafter until terminated by either party's giving to the other not less than six months' written notice of its intention to terminate. Subject to the provisions of Article I hereof, service hereunder and the obligation of the Member to pay therefor shall commence upon completion of the facilities necessary to provide service.

SUPPLEMENTAL AGREEMENT

THIS AGREEMENT, Made and entered into as of the 21st day of November, A. D., 1968, by and between BASIN ELECTRIC POWER COOPERATIVE (hereinafter referred to as "Basin Electric"), DAKOTAS ELECTRIC COOPERATIVE, INC. (hereinafter referred to as "Dakotas"), and KEM Electric Cooperative, Inc., (hereinafter referred to as "Member"), all parties being corporations organized and existing under the laws of the State of North Dakota:

W I T N E S S E T H:

WHEREAS, Basin Electric and the Member did enter into a wholesale electric power contract dated as of September 21, 1964, (hereinafter referred to as the "Basic Contract") under the terms of which Basin Electric agreed to provide and sell and the Member agreed to purchase and receive certain electric service according to the terms of the contract; and

WHEREAS, at the request of the Member, Basin Electric assigned its interest and obligation in said contract to Dakotas by an assignment dated as of May 13, 1966, (hereinafter referred to as the "Assigment") under the terms of which Basin Electric did assign its interest in said Basin Contract to Dakotas and agreed to provide the electric service which was the subject of said Basin Contract, and Dakotas agreed to purchase and receive said electric service from Basin Electric and deliver same to the Member in accordance with the terms of said Basic Contract; and

WHEREAS, it was and is the intent of the parties that said Basic Contract shall be amended in certain respects, and Basin Electric and the Member have entered into an Amendment dated as of May 16, 1968, (hereinafter referred to as the "Amendment") to said Basic Contract, and the parties desire that the wholesale electric service shall be provided by Basin Electric to Dakotas, to be in turn provided to the Member under the terms of the Basic Contract and the Amendment thereto:

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE MUTUAL PROMISES AND UNDERTAKINGS OF THE RESPECTIVE PARTIES HERETO HEREIN STATED, IT IS MUTUALLY AGREED AS FOLLOWS:

1. The parties hereto recognize the Basic Contract, Assigment and Amendment to the Basic Contract as a single document.

2. Basin Electric agrees to provide the electric service in accordance with the terms of the said Basic Contract and Amendment thereto to Dakotas, for resale to the Member in accordance with the terms of said Basic Contract and Amendment thereto.

3. Dakotas agrees to purchase and receive said wholesale electric service from Basin Electric in accordance with the Basic Contract and the Assignment thereof, and the Amendment, and to pay to Basin Electric the purchase price as defined in said contract as amended.

4. Dakotas agrees to provide wholesale electric service to the Member in accordance with the terms of the Basic Contract and Amendment thereto, and to receive payment therefor under the rates established in said Basic Contract and Amendment thereto.

5. The Member agrees to purchase and receive said wholesale electric service from Dakotas in accordance with the terms of said Basic Contract and Amendment thereto, and to pay Dakotas therefor in accordance with the terms of said documents.

6. This Supplemental Agreement shall become effective when approved in writing by the Administrator of the Rural Electrification Administration.

IN WITNESS WHEREOF, the parties hereto have executed this Supplemental Agreement as of the day and year first above written.

BASIN ELECTRIC POWER COOPERATIVE

By _____
President

(CORPORATE SEAL)

ATTEST:

_____
Secretary

DAKOTAS ELECTRIC COOPERATIVE, INC.

By _____
President

(CORPORATE SEAL)

ATTEST:

_____
Secretary

KEM ELECTRIC COOPERATIVE, INC.

_____
President

(CORPORATE SEAL)

ATTEST:

_____
Secretary

DOCUMENTARY FILE

4-084.05-000-001016-01

[redacted]

U. S. DEPARTMENT OF AGRICULTURE
RURAL ELECTRIFICATION ADMINISTRATION

REA BORROWER DESIGNATION North Dakota 27 Emmons

THE WITHIN Wholesale Power Contract dated September 21, 1964 between Basin Electric Power Cooperative and KEM Electric Cooperative, Inc.

SUBMITTED BY THE ABOVE DESIGNATED BORROWER PURSUANT TO THE TERMS OF THE LOAN CONTRACT, IS HEREBY APPROVED SOLELY FOR THE PURPOSES OF SUCH CONTRACT.

Richard H. Wood
FOR THE ADMINISTRATOR

DATED DEC 9 1964

Cancel Ltr 6-12-69

BASIN ELECTRIC POWER COOPERATIVE
Provident Life Building, Bismarck, North Dakota : Area Code 701 223-0441

*Power Marketing Information*

Revised Rate Schedule

REVISED SCHEDULE A

Effective Date

Schedule of Rates for Wholesale Firm Power Service Effective: January 1975 billing period.

Available:

To Class "A" Members of Basin Electric Power Cooperative.

Applicable:

To wholesale power customers for power service supplied through one meter at each of one or more points of delivery. Not applicable to standby or auxiliary service, except that service auxiliary to other purchased power supply will be permitted under appropriate contract terms.

Character and Conditions of Service:

Alternating current, sixty cycles, three phase, delivered at specified point(s) of delivery on the Joint Transmission System as defined in the United States Bureau of Reclamation - Basin Electric Power Cooperative Contract and as specified in the respective Member - Basin Electric Contract.

Monthly Rate:

| | |
|---|---|
| Capacity Charge: | $2.30 per kilowatt of billing demand |
| Energy Charge: | $0.0040 per kilowatt hour |

Basis for Billing:

The metered demand shall be the highest 30-minute integrated demand (or corrected to a 30-minute basis in the event where 15-minute demand registers are installed) measured during the billing period. Inasmuch as power is supplied to Class "A" Members by both the United States Bureau of Reclamation and Basin Electric Power Cooperative through common metering, Basin Electric Power Cooperative billings shall be determined as follows:

Where:

D - Shall be defined as the DEMAND - for the current billing period - determined on a basis in accordance with contract(s) in effect between the Member and the United States Bureau of Reclamation.

E - Shall be defined as the ENERGY delivered during the billing period, as determined on a basis in accordance with contract(s) in effect between the Member and the United States Bureau of Reclamation.

X - Shall be defined as the Contract Rate of firm power delivery as agreed to and as defined by contract(s) in effect between the Member and the United States Bureau of Reclamation.

Y - Shall be defined as the Highest Demand (Factor 'D'), determined in accordance with contract(s) in effect between the Member and the United States Bureau of Reclamation.

Then:

$B_D$ = Basin Electric Power Cooperative, Inc. monthly demand (KW).

$B_E$ = Basin Electric Power Cooperative, Inc. monthly energy (KWH).

$B_D = D ( 1 - X/Y )$ D(1-X

$B_E = E ( 1 - X/Y )$

Note: The ratio X/Y shall never be more than one.

Billing Periods:

Basin Electric Power Cooperative billing periods shall be established to coincide with the meter reading schedules of the United States Bureau of Reclamation.

Adjustments for Power Factor:

The Member agrees to maintain unity power factor as nearly as practicable and such Member will be required to maintain an average power factor at the point of delivery of between 90% lagging and 90% leading. In the event that Basin Electric determines by test that these tolerances are exceeded, the Member shall, at his own expense, remedy the Power Factor to a value within these tolerances.

Delivery Facilities Participation Policy:

The Delivery Facilities Participation Policy approved by the Board of Directors on July 16, 1970, as amended from time to time, is hereby incorporated into this Schedule 'A', available to all Class "A" Members, upon execution of an Agreement uniform in terms and which must be approved by the Administrator of the Rural Electrification Administration. (This Amendment became effective September 11, 1970.)



KEM0019

AMENDMENT TO

WHOLESALE POWER CONTRACT

by and between

BASIN ELECTRIC POWER COOPERATIVE

and

KEM ELECTRIC COOPERATIVE, INC.

AGREEMENT made as of July 12, 1973, between Basin Electric Power Cooperative (hereinafter called the "Seller"), a corporation organized and existing under the laws of the State of North Dakota, and KEM Electric Cooperative, Inc., (hereinafter called the "Member", a corporation organized and existing under the laws of the State of North Dakota:

WHEREAS, the Seller has constructed an electric generating plant and transmission system and may construct additional generating capacity or purchase or otherwise obtain electric power and energy for the purpose, among others, of supplying electric power and energy to borrowers from the Rural Electrification Administration which are or may become members [illegible] the Seller; and

WHEREAS, the Seller has contracted for the introduction of the power and energy produced by such electric generating plant into the transmission system of the Bureau of Reclamation for delivery through facilities of the Bureau of Reclamation, including both transmission lines and substation equipment to its Members; and

WHEREAS, the Seller, along with other electric cooperatives, has entered into a contract with the Bureau of Reclamation to establish a "Joint Transmission System" including specifically described facilities and contemplating additions to said joint transmission system under certain conditions, over which said joint transmission system Seller may deliver to Member electric service under this contract; and

WHEREAS, the Seller has heretofore entered into or is about to enter into agreements for the sale of electric service similar in form to this agreement with REA borrowers which are Class "A" members of the Seller, and may enter into similar contracts with other such borrowers which may be or become Class "A" members; and

WHEREAS, the Seller may construct delivery facilities to make delivery of power and energy to its Members in addition to delivery facilities of the Joint Transmission System; and

WHEREAS, the Member has heretofore entered into a wholesale power contract with Seller (hereinafter referred to as the "Power Contract") dated September 21, 1964, and the parties hereto desire to amend

said Power Contract on the terms and conditions herein set forth:

NOW, THEREFORE, in consideration of the mutual undertakings herein contained, the parties hereto agree as follows:

1. Paragraph 1 of the Power Contract is hereby amended to read as follows:

> "1. General. The Seller shall sell and deliver to the Member and the Member shall purchase and receive from the Seller the electric power and energy which the Member shall require in addition to power and energy available to the Member from the other power sources listed below, to the extent that the Seller shall have such power and energy and facilities available; provided, however, * * * * * *"

2. Paragraph 10 of the Power Contract as amended is hereby amended by deleting the date "January 1, 2010" in line 2 thereof, and substituting therefor the date "January 1, 2020".

3. This Amendment to the Power Contract shall become effective when approved in writing by the Administrator of the Rural Electrification Administration.

EXECUTED THE day and year first above mentioned.

BASIN ELECTRIC POWER COOPERATIVE, Seller

By _____
President

ATTEST:

_____
Secretary

KEM Electric Cooperative, Inc., Member

By _____
President

ATTEST:

_____
Secretary

It was moved and seconded that the following resolution be adopted:

> RESOLVED that the All Requirements Amendment to the Wholesale Power Contract with Basin Electric Power Cooperative and the Supplemental Agreement with Basin Electric Power Cooperative and Dakotas Electric Cooperative, Inc. be approved as presented and authorization be given for signing the Amendment and Supplemental Agreement by officers of the Cooperative.

All directors voted aye on the passage of the above resolution.

## CERTIFICATION

I, Herbert O. Wiest, Secretary of the KEM Electric Cooperative, Inc. do hereby certify that the foregoing is a true and correct copy of the resolution adopted at the regular meeting of the Board of Directors of the KEM Electric Cooperative, Inc. of Linton, North Dakota held May 15, 1973 as it appears in the minute book of the Corporation and that it has not been rescinded or modified.

Herbert O. Wiest
Secretary of KEM Electric Cooperative, Inc.

# C E R T I F I C A T E

I, DENNIS LINDBERG, do hereby certify:

That I am the duly and regularly elected and qualified and acting Secretary of BASIN ELECTRIC POWER COOPERATIVE, and the keeper of its records;

That the attached and foregoing is a true and correct copy of the minutes of the meeting of the Board of Directors duly held and convened in accordance with the Articles of Incorporation and By-Laws of the Cooperative on July 12, 1973;

That said minutes are a recording of the business of the meeting only, and have not been approved, ratified or confirmed at any subsequent meeting of the said Board of Directors.

Dated this 18th day of JULY, A.D., 1973.

Dennis Lindberg
SECRETARY

(CORPORATE SEAL)

KEM0024

BASIN ELECTRIC POWER COOPERATIVE
Excerpts From Board of Directors Minutes
July 12, 1973

25. APPROVAL OF ALL-REQUIREMENT AMENDMENTS TO WHOLESALE POWER CONTRACTS.

RESOLVED, That the Amendments to Wholesale Power Contracts between the Cooperative and the following Members:

L & O Power Cooperative

KEM Electric Cooperative, Inc.,

and the Supplemental Agreement between the Cooperative, KEM Electric Cooperative, Inc., and Dakotas Electric Cooperative, Inc., presented to this meeting, be approved, and that the officers of the Cooperative be authorized to execute same for, on behalf and in the name of the Cooperative, subject to the approval of the Administrator of the Rural Electrification Administration.

U. S. DEPARTMENT OF AGRICULTURE
RURAL ELECTRIFICATION ADMINISTRATION

North Dakota 27 Emmons
North Dakota 40 Burleigh
REA BORROWER DESIGNATION North Dakota 45 Burle

THE WITHIN Supplemental agreement between [illegible] Electric,

[illegible] Electric, and Basin,

SUBMITTED BY THE ABOVE DESIGNATED BORROWER PURSUANT TO THE TERMS OF THE LOAN CONTRACT, IS HEREBY APPROVED SOLELY FOR THE PURPOSES OF SUCH CONTRACT.

[signature]
FOR THE ADMINISTRATOR

DATED

Dec 15, 1945

KEM0026

# SUPPLEMENTAL AGREEMENT

THIS AGREEMENT, Made and entered into as of the 12th day of July, A.D. 19 73, by and between BASIN ELECTRIC POWER COOPERATIVE (hereinafter referred to as "Basin Electric), DAKOTAS ELECTRIC COOPERATIVE, INC. (hereinafter referred to as "Dakotas"), and KEM ELECTRIC COOPERATIVE, INC., (hereinafter referred to as "Member"), all parties being corporations organized and existing under the laws of the State of North Dakota:

WITNESSETH:

WHEREAS, Basin Electric and the Member did enter into a wholesale electric power contract dated as of September 21, 1964, (hereinafter referred to as the "Basic Contract") under the terms of which Basin Electric agreed to provide and sell and the Member agreed to purchase and receive certain electric service according to the terms of the contract; and

WHEREAS, at the request of the Member, Basin Electric assigned its interest and obligation in said contract to Dakotas by an assignment dated as of May 13, 1966, (hereinafter referred to as the "Assignment") under the terms of which Basin Electric did assign its interest in said Basic Contract to Dakotas and agreed to provide the electric service which was the subject of said Basic Contract, and Dakotas agreed to purchase and receive said electric service from Basin Electric and deliver same to the Member in accordance with the terms of said Basic Contract;

WHEREAS, Basin Electric and the Member did amend said Basic Contract by Amendment dated as of May 16, 1968, recognized by Supplemental

Agreement of the parties hereto under date of November 21, 1968; and

WHEREAS, it was and is the intent of the parties that said Basic Contract shall be further amended in certain respects, and Basin Electric and the Member have entered into an Amendment dated as of July 12, 1973, (hereinafter referred to as the "Amendment") to said Basic Contract, and the parties desire that the wholesale electric service shall be provided by Basin Electric to Dakotas, to be in turn provided to the Member under the terms of the Basic Contract and the Amendment thereto.

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE MUTUAL PROMISES AND UNDERTAKINGS OF THE RESPECTIVE PARTIES HERETO HEREIN STATED, IT IS MUTUALLY AGREED AS FOLLOWS:

1. The parties hereto recognize the Basic Contract as Amended, Assignment and Amendment to the Basic Contract as a single document.

2. Basin Electric agrees to provide the electric service in accordance with the terms of the said Basic Contract and Amendments thereto to Dakotas, for resale to the Member in accordance with the terms of said Basic Contract and Amendment thereto.

3. Dakotas agrees to purchase and receive said wholesale electric service from Basin Electric in accordance with the Basic Contract and the Assignment thereof, and the Amendments, and to pay to Basin Electric the purchase price as defined in said contract as amended.

4. Dakotas agrees to provide wholesale electric service to the Member in accordance with the terms of the Basic Contract and Amendments thereto, and to receive payment therefor under the rates established in said Basic Contract and Amendments thereto.

5. The Member agrees to purchase and receive said wholesale electric service from Dakotas in accordance with the terms of said Basic Contract and Amendments thereto, and to pay Dakotas therefor in accordance with the terms of said documents.

6. This Supplemental Agreement shall become effective when approved in writing by the Administrator of the Rural Electrification Administration.

IN WITNESS WHEREOF, the parties hereto have executed this Supplemental Agreement as of the day and year first above written.

(CORPORATE SEAL)

BASIN ELECTRIC POWER COOPERATIVE

By _____
President

ATTEST:

_____
Secretary

(CORPORATE SEAL)

DAKOTAS ELECTRIC COOPERATIVE, INC.

By Herbert Meier
President

ATTEST:

Paul Hauseman
Secretary

(CORPORATE SEAL)

KEM ELECTRIC COOPERATIVE, INC.

By Oscar Rau
President

ATTEST:

Herbert O. Wiest
Secretary

DAKOTAS ELECTRIC COOPERATIVE, INC.

CERTIFICATE OF SECRETARY

I, Paul Hausauer, DO HEREBY CERTIFY: That I am the duly elected, qualified, and acting Secretary of DAKOTAS ELECTRIC COOPERATIVE, INC., (hereinafter called the "Cooperative") and the keeper of its records; that hereto attached is a true and correct excerpt of the original minutes entered in the minute book of the Cooperative of the Special Meeting of the Board of Directors held at North Dakota Statewide Building, in the City of Mandan, Morton County, State of North Dakota, on the 27th day of February, 19 74, at which meeting a quorum of directors was present and acted throughout; and I do further certify that the resolution or resolutions contained in the aforesaid excerpt has not been rescinded or modified, and that the same is at the date hereof in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Cooperative, this 28th day of February, A. D., 19 74.

(SEAL)

Paul Hausauer
Secretary

KEM0030

DAKOTAS ELECTRIC COOPERATIVE, INC.

EXCERPT OF MINUTES OF SPECIAL MEETING OF
BOARD OF DIRECTORS HELD ON FEBRUARY 27, 1974

" Mr. Fischer advised that member Cooperatives, FEM Electric Cooperative, Inc., KEM Electric Cooperative, Inc., and Oliver-Mercer Electric Cooperative, Inc., each had entered into Supplemental Agreements to the All Requirements Amendment between Basin Electric Power Cooperative, Dakotas Electric Cooperative, Inc., and the respective Cooperatives mentioned. Basin requires that Dakotas Electric review the Supplemental Agreements and approve these if they find the same to be satisfactory. The Board then reviewed the respective contractual agreements involving the mentioned member Cooperatives whereupon a motion was made by Mr. Becker, seconded by Mr. Biel and unanimously carried, whereupon it was

RESOLVED, That each Supplemental Agreement to All Requirements Amendment described below, be and are hereby in all things approved.

(a) Between Basin Electric Power Cooperative, Dakotas Electric Cooperative, Inc., and FEM Electric Association, Inc. dated November 14, 1973;

(b) Between Basin Electric Power Cooperative, Dakotas Electric Cooperative, Inc., and KEM Electric Cooperative, Inc. dated July 12, 1973; and

(c) Between Basin Electric Power Cooperative, Dakotas Electric Cooperative, Inc., and Oliver-Mercer Electric Cooperative, Inc. dated April 17, 1973.

FURTHER RESOLVED, That the President and Secretary of the Cooperative are hereby authorized and directed to execute five counterparts of each respective contract hereabove described. "

Library Desk Copy
DOCUMENTARY FILE

4-064.55-01-A0016-02

U. S. DEPARTMENT OF AGRICULTURE
RURAL ELECTRIFICATION ADMINISTRATION

North Dakota 27 Emmons
North Dakota 40 Dakotas
REA BORROWER DESIGNATION North Dakota 45 Basin

THE WITHIN 1) Amendment dated May 16, 1968, to the Wholesale Power Contract between Basin Electric Power Cooperative and KEM Electric Cooperative. 2) Supplemental Agreement dated November 21, 1968, between KEM Electric Cooperative, Dakotas Electric Cooperative and Basin Electric Power Cooperative.

SUBMITTED BY THE ABOVE DESIGNATED BORROWER PURSUANT TO THE TERMS OF THE LOAN CONTRACT, IS HEREBY APPROVED SOLELY FOR THE PURPOSES OF SUCH CONTRACT.

DATED JAN 16 1969

FOR THE ADMINISTRATOR

REA FORM 28e REV. 8-60

? JONES
...SIDENT
C. R. THIESSEN
SECRETARY-TREASURER
DENNIS LINDBERG
ASSISTANT SECRETARY
HELGE NYGREN

DIRECTORS
MARVIN BEYERS
HOLLAND MINN
WAYNE BOND
LODGEPOLE NEBR
ARTHUR JONES
BRITTON S D
DENNIS LINDBERG
ODEBOLT IOWA
HELGE NYGREN
FLASHER N D
OLIVER G. ROSE
NISLAND S D
OTTO SCHNEIDER
MC LAUGHLIN S D
C. R. THIESSEN
LAMBERT MONT
HERBERT WEBER
HAZELTON N D
CLARENCE WELANDER
FULLERTON N D

MANAGER
JAMES L. GRAHL

# BASIN ELECTRIC POWER COOPERATIVE

Provident Life Building, Bismarck, North Dakota : Area Code 701 223-0441

December 12, 1968

Mr. Herbert Weber, President
KEM Electric Cooperative, Inc.
Linton, North Dakota

Dear Mr. Weber:

In processing documents in connection with the Basin Electric Second Unit Loan, it has been discovered that the Amendment to Wholesale Power Contract dated as of May 16, 1968, erroneously referred to September 30, 1965 as the date of the original contract.

In fact, the original contract date was September 21, 1964. Since both organizations have copies of this contract in their files, this is an obvious error.

By this letter, Basin Electric Power Cooperative agrees that the correct reference to the date of the original contract as used in the Amendment is September 21, 1964. Please indicate your agreement to this interpretation by executing the acknowledgment at the bottom of this page, date same, and return three (3) copies to this office.

Very truly yours,

BASIN ELECTRIC POWER COOPERATIVE

By: _____
President

Date: December 12, 1968

Statements of above letter agreed to.

KEM ELECTRIC COOPERATIVE, INC.

By: Herbert Weber
President

AJ:sv

KEM0033

AGREEMENT TO TERMINATE
WHOLESALE POWER CONTRACT AND AMENDMENT
THERETO, AND ASSIGNMENT AGREEMENT

by and between

BASIN ELECTRIC POWER COOPERATIVE,
AND DAKOTAS ELECTRIC COOPERATIVE, INC.,

AGREEMENT made as of June 1, 1980,. by and between BASIN ELECTRIC POWER COOPERATIVE (hereinafter called "Basin Electric") and DAKOTAS ELECTRIC COOPERATIVE, INC. (hereinafter called "Dakotas"), each a corporation organized and existing under the laws of the State of North Dakota:

W I T N E S S E T H :

WHEREAS, Basin Electric and Dakotas entered into a certain Wholesale Power Contract dated as of May 13, 1966, and an Amendment thereto dated as of May 25, 1973, under which Basin Electric was to sell and deliver and Dakotas was to purchase and receive certain electric service for redelivery to Dakotas' distribution cooperative members; and

WHEREAS, Basin Electric and Dakotas entered into a certain Assignment Agreement dated as of May 13, 1966, ("Assignment Agreement") under which the Wholesale Electric Service Contracts between Basin Electric and certain distribution cooperatives were assigned to Dakotas; and

WHEREAS, all of the Wholesale Electric Service Contracts between Basin Electric and the distribution cooperatives which were assigned to Dakotas have been either terminated or reassigned to Basin Electric; and

WHEREAS, the parties desire to cancel the Wholesale Power Contract and Amendment thereto and the Assignment Agreement.

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE MUTUAL PROMISES AND UNDERTAKINGS HEREIN CONTAINED, it is hereby mutually agreed that as of June 1, 1980, the said Wholesale Power Contract between Basin Electric and Dakotas, and Amendment thereto, together with the Assignment Agreement are mutually cancelled and terminated, and each party does hereby release each of the other parties from any and all obligation under said Wholesale Power Contract, Amendment and Assignment Agreement. It is hereby further agreed that all capital credits allocated to Dakotas on the books and records of Basin Electric shall be redistributed to the account of the individual distribution cooperatives or the Class A member which the distribution cooperative joined.



KEM0035

EXECUTED as of the day and year first above written.

BASIN ELECTRIC POWER COOPERATIVE

By _____
President

ATTEST:

_____
Secretary

DAKOTAS ELECTRIC COOPERATIVE, INC.

By _____
President

ATTEST:

_____
Secretary



KEM0036

4-094.05-00-0001-05

U. S. DEPARTMENT OF AGRICULTURE
RURAL ELECTRIFICATION ADMINISTRATION

North Dakota 27 Emmons
REA BORROWER DESIGNATION North Dakota 45 Basin

THE WITHIN Amendment to Wholesale Power Contract between

KEM and Basin

SUBMITTED BY THE ABOVE DESIGNATED BORROWER PURSUANT TO THE TERMS OF THE LOAN CONTRACT, IS HEREBY APPROVED SOLELY FOR THE PURPOSES OF SUCH CONTRACT.

FOR THE ADMINISTRATOR

DAVID H. [illegible]
Acting Administrator

DATED
DEC 15 1975

JAN 1975

Cover Ltr 1-5-76

REA FORM 28a REV 5-73

KEM0037

# AMENDMENT #3 TO

# WHOLESALE POWER CONTRACT

# BY AND BETWEEN

# BASIN ELECTRIC POWER COOPERATIVE

# AND

# KEM ELECTRIC COOPERATIVE, INC.

This Amendment to Wholesale Power Contract is made as of this 14th day of October, 1994, by and between Basin Electric Power Cooperative, 1717 East Interstate Avenue, Bismarck, North Dakota 58501 (Basin Electric), a North Dakota electric cooperative corporation, and KEM Electric Cooperative, Inc., a North Dakota cooperative whose principal place of business is located in or near Linton, North Dakota (hereinafter Member).

W I T N E S S E T H :

WHEREAS, Basin Electric and Member have heretofore entered into a certain Wholesale Power Contract dated as of September 21, 1964, as amended (Wholesale Contract); and

WHEREAS, Basin Electric is seeking certain additional loans or loan guarantees (Loans) from the United States acting through the Administrator (Administrator) of the Rural Electrification Administration or its successor agency (REA); and



KEM0038

WHEREAS, as a condition to such Loans, the Administrator has required that the Wholesale Contract and other similar contracts between Basin Electric and other members be amended; and

NOW THEREFORE, in consideration of the mutual undertakings herein contained, the parties hereby agree as follows:

I. The recitals contained in the Wholesale Contract are deleted and the following recitals are inserted in lieu thereof:

WHEREAS, Seller presently owns and operates electric generating plants, a transmission system and associated facilities, and has entered into contracts with others to provide for transmission facilities or service or otherwise obtain electric capacity and energy for the purpose, among others, of supplying electric capacity and energy to borrowers from the Rural Electrification Administration (REA) which are or may become members of Seller; and

WHEREAS, Seller has financed and may, in the future, finance new facilities in whole or in part through loans made or guaranteed by the United States of America (hereinafter called the Government), acting through the Administrator; and

WHEREAS, the indebtedness created by such loans and loan guarantees made by the Government is evidenced, and, with respect to future indebtedness, shall be evidenced by certain notes (hereinafter collectively called the Notes), secured by that Consolidated Mortgage and Security Agreement made by and among Basin Electric Power Cooperative, Mortgagor, and the United States of America, St. Paul Bank for Cooperatives, The First National Bank



KEM0039

of Chicago, as Trustee, Fund Asset Management, Inc., and Morgan Guaranty Trust Company of New York, as Agent, Mortgagees, dated as of November 1, 1984. (Said Consolidated Mortgage and Security Agreement as it may have heretofore been, or hereafter be, amended, supplemented and/or restated from time to time being hereinafter called the Mortgage); and

WHEREAS, this Agreement and payments due to Seller under this Agreement will be pledged and assigned to secure the Notes, as provided in the Mortgage or other notes pursuant to other financial arrangements; and

WHEREAS, Member acknowledges that Seller and the Government are relying on this commitment from Member, and similar commitments from all other members having similar contracts, to purchase capacity and energy for its present and future load requirements hereunder to provide for (a) the financing of Seller's facilities, (b) the development of an organization to serve Member and (c) for a long-term planning and power supply acquisition program; and

WHEREAS, the Government is relying on this Agreement and similar contracts between Seller and other borrowers from the Rural Electrification Administration to assure that the Notes are repaid and the purposes of the Rural Electrification Act of 1936, as amended, are carried out and Seller and Member by executing this Agreement, acknowledge that reliance;

II. The provision of the Wholesale Contract entitled Rate (Section 4 of the Wholesale Contract) is deleted and the following paragraphs are inserted in lieu thereof:

RATE. Member shall pay Seller for all electric power and energy furnished hereunder at the rates and on the terms and conditions set forth in Rate Schedule "A", attached hereto and made a part hereof, as the same may be modified from time to time by Seller.

The Board of Directors of Seller at such intervals as it shall deem appropriate, but in any event not less frequently than once in each calendar year, shall review the rate for electric capacity and energy furnished hereunder and under similar contracts with other members, and, if necessary, shall revise such rate so that it shall produce revenues which shall be sufficient, but only sufficient, with the revenues of Seller from all other sources, to meet the cost of the operation and maintenance (including, without limitation, replacement, insurance, taxes and administrative and general overhead expenses) of the generating plants, the transmission system and related facilities of Seller, the cost of any capacity and energy purchased for resale hereunder by Seller, the cost of transmission service, the cost of lease payments; interest expense and depreciation expense of Seller, and to provide for the establishment and maintenance of reasonable reserves. Seller shall cause a notice in writing to be given to Member and other members of Seller and the Administrator which shall set out all of the proposed revisions of rate with the effective date hereof, which shall not be less than thirty (30) nor more than forty-five (45) days after the date of the notice, and shall set forth the basis upon which the rate is proposed to be adjusted and established. The Member agrees that the rate from time to time established by the Board of Directors of Seller shall be deemed to be substituted for the rate herein provided and agrees to pay for electric capacity and energy furnished by Seller to it hereunder after the effective date of any such revision at such revised rates; provided,



KEM0041

however, that no such revision shall be effective unless approved in writing by the Administrator.

III. The following additional sections are inserted in the Wholesale Contract:

TRANSFER BY THE MEMBER. The Member agrees that during the term of this Agreement, so long as any of the Notes are outstanding, the Member will not, without the approval in writing of Seller and the Administrator, take or suffer to be taken any steps for reorganization or to consolidate with or merge into any organization, or to sell, lease or transfer (or make any agreement therefor) all or a substantial portion of its assets, whether now owned or hereafter acquired. Notwithstanding the foregoing, Member may take or suffer to be taken any steps for reorganization or to consolidate or merge into any corporation or to sell, lease or transfer (or make any agreement therefor) all or a substantial portion of its assets, whether now owned or hereafter acquired, so long as Member shall pay such portion of the outstanding indebtedness on the Notes, as well as other obligations and commitments of Seller at the time existing, as shall be determined by Seller with the prior written consent of the Administrator and shall otherwise comply with such reasonable terms and conditions as the Administrator and Seller shall require.

SPECIFIC PERFORMANCE. Seller and Member agree that the failure or threatened failure of Member to comply with the terms of the immediately preceding paragraph entitled Transfer by Member will cause irreparable injury to Seller and to the Government which cannot properly or adequately be compensated by the mere payment of money. Member agrees, therefore, that in the event of a breach or threatened breach by Member of the paragraph entitled Transfer by the Member, of this Agreement, that Seller, in addition



KEM0042

to any other remedies that may be available to it judicially, shall have the right to obtain from any competent court a decree enjoining such breach or threatened breach of said paragraph and providing for the terms of said paragraph to be specifically enforced.

IV. The provision entitled "term" in the Wholesale Contract, as amended, is hereby amended by deleting the date appearing therein and substituting the date "December 31, 2039".

V. Except as amended hereby, the provision of the Wholesale Contract shall remain in full force and effect; provided, however, that to the extent any of the amending provisions hereof shall conflict with any other provision of the Wholesale Contract, this Amendment shall supersede such provision.

Executed as of the day and year first above written.

( S E A L )

BASIN ELECTRIC POWER COOPERATIVE

Attest:

By: Bill Wenz
Its: PRESIDENT

( S E A L )

KEM ELECTRIC COOPERATIVE, INC.

Attest:

By: Adolph Feyereisen Jr.
Its: President

**U.S. DEPARTMENT OF AGRICULTURE**
**RURAL ELECTRIFICATION ADMINISTRATION**

**REA BORROWER DESIGNATION** North Dakota 27 Emmons
North Dakota 45 Basin

**THE WITHIN** Amendment No. 3 to Wholesale Power Contract and Supplemental Agreement, both dated October 14, 1994, by and between Basin Electric Power Cooperative and KEM Electric Cooperative, Inc.

**SUBMITTED BY THE ABOVE DESIGNATED BORROWER PURSUANT TO THE TERMS OF THE LOAN CONTRACT, IS HEREBY APPROVED SOLELY FOR THE PURPOSES OF SUCH CONTRACT.**

Thomas T. Ebbey
**FOR THE ADMINISTRATOR**

**DATED**
4/9/96

Pursuant to the Department of Agriculture Reorganization Act of 1994 (Title II of Public Law No. 103-354), the United States Secretary of Agriculture simultaneously abolished the Rural Electrification Administration (REA) and established the Rural Utilities Service (RUS) to succeed REA as the agency for carrying out electric and telephone loan program activities authorized by law, including the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.).

**REA FORM 28a REV 5-73**

# SUPPLEMENTAL AGREEMENT

THIS AGREEMENT, made this 14th day of October, 1994, by and between Basin Electric Power Cooperative, 1717 East Interstate Avenue, Bismarck, North Dakota 58501 (hereinafter called Basin Electric), an electric cooperative corporation organized and existing under the laws of the State of North Dakota, and KEM Electric Cooperative, Inc., organized and existing under the laws of the State of North Dakota, with its principal office at 107 South Broadway, Linton, North Dakota (hereinafter called Member), and the United States of America (hereinafter called the Government), acting through the Administrator of the Rural Electrification Administration (hereinafter called the Administrator).

W I T N E S S E T H :

WHEREAS, Basin Electric and Member have entered into a contract for the purchase and sale of electric power and energy, which contract is attached hereto and is hereinafter called the Power Contract; and

WHEREAS, the execution of the Power Contract between Member and Basin Electric is subject to the approval of the Administrator under the terms of the loan contracts entered into with the Administrator by Basin Electric and Member, respectively; and

WHEREAS, the Government is relying on said Power Contract and similar contracts between Basin Electric and other borrowers from the Rural

Electrification Administration to assure that the "Notes" referred to in the Power Contract are repaid and the purposes of the Rural Electrification Act of 1936, as amended, are carried out and Basin Electric and Member by executing this Supplemental Agreement, acknowledge that reliance;

NOW, THEREFORE, in consideration of the mutual undertakings herein contained, and the approval of the Administrator of the Power Contract, the parties hereto agree as follows:

Basin Electric, Member and the Administrator agree that if Member shall fail to comply with any provisions of the Power Contract, Basin Electric, or the Administrator, if the Administrator so elects, shall have the right to enforce the obligations of Member under the provisions of the Power Contract by instituting all necessary actions at law or suits in equity, including, without limitation, suits for specific performance. Such rights of the Administrator to enforce the provisions of the Power Contract are in addition to and shall not limit the rights which the Administrator shall otherwise have as third-party beneficiary of the Power Contract or pursuant to the assignment and pledge of such Power Contract and the payments required to be made thereunder as provided in the "Mortgage" referred to in the Power Contract. The Government shall not, under any circumstances, assume or be bound by the obligations of Basin Electric under the Power Contract except to the extent the Government shall agree in writing to accept and be bound by such obligations.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above mentioned.

BASIN ELECTRIC POWER COOPERATIVE

PRESIDENT

DATED: 10-14-94

ATTEST:

SECRETARY

KEM ELECTRIC COOPERATIVE, INC.

( S E A L )

PRESIDENT

DATED: 9-28-94

ATTEST:

SECRETARY

UNITED STATES OF AMERICA

BY

ADMINISTRATOR OF THE
RURAL ELECTRIFICATION ADMINISTRATION

# DOCUMENTARY FILE

U. S. DEPARTMENT OF AGRICULTURE
RURAL ELECTRIFICATION ADMINISTRATION

REA BORROWER DESIGNATION North Dakota 27 Emmons
North Dakota 40 Burleigh
North Dakota 45 Basin

THE WITHIN Agreements dated February 22, 1980, and June 1, 1980, terminating the assignment of the KEM Wholesale Power Contract and Supplements and the Wholesale Power Contract between Basin and Dakotas Electric Cooperative, Inc.,

SUBMITTED BY THE ABOVE DESIGNATED BORROWER PURSUANT TO THE TERMS OF THE LOAN CONTRACT, IS HEREBY APPROVED SOLELY FOR THE PURPOSES OF SUCH CONTRACT.

Frank W Bennett
FOR THE ADMINISTRATOR

DATED 9/12/83

OCT 1983
RECEIVED
Basin Electric
Power Cooperative
Documentary

28a REV 5-73

RECORDS HAS ORIGINAL

**AMENDMENT TO**
**WHOLESALE POWER CONTRACT**
**BY AND BETWEEN**
**BASIN ELECTRIC POWER COOPERATIVE**
**AND**
**KEM ELECTRIC COOPERATIVE, INC.**

This Amendment to Wholesale Power Contract is made as of this 12th day of October, 2005, by and between Basin Electric Power Cooperative, 1717 East Interstate Avenue, Bismarck, North Dakota 58501 (**Seller**), a North Dakota electric cooperative corporation, and KEM Electric Cooperative, Inc., (**Member**), a North Dakota cooperative whose principal place of business is located in or near Linton, North Dakota.

W I T N E S S E T H :

WHEREAS, Seller and Member entered into a certain Wholesale Power Contract dated as of September 21, 1964, as amended (**Wholesale Contract**); and

WHEREAS, Seller and Member are entering into this Amendment to extend the term of their Wholesale Contract;

NOW THEREFORE, in consideration of the mutual undertakings herein contained, the parties hereby agree as follows:

I. Section 10 of the Wholesale Contract as amended by Amendment # 3 to Wholesale Power Contract dated October 14, 1994, Section IV is hereby amended by deleting the date "December 31, 2039", and substituting the date "December 31, 2050".
II. This agreement is subject to the approval of the Administrator of the Rural Utilities Services.

Executed as of the day and year first above written.

BASIN ELECTRIC POWER COOPERATIVE

By: Wayne L. Child
Its: President, Wayne L. Child

ATTEST:

Kermit Pearson
Secretary-Treasurer
Kermit Pearson

(SEAL)

KEM ELECTRIC COOPERATIVE, INC.

By: Adolph F. Fayereisen
Its: President, Adolph Fayereisen

ATTEST:

Carmen Essig
Secretary, Carmen Essig

It was moved and seconded that the following resolution be adopted:

WHEREAS, Basin Electric Power Cooperative of Bismarck, North Dakota and KEM Electric Cooperative, Inc. have heretofore entered into a contract, as amended, and as heretofore approved by the Administrator of the Rural Utilities Service, formerly known as the Rural Electrification Administration, for the purchase of electric power and energy; and

WHEREAS, Basin Electric Power Cooperative presently owns and operates an electric transmission system and generates, purchases and otherwise obtains electric power and energy for the purpose, among others, of supplying electric power and energy to borrowers of the Rural Utilities Service, formerly known as the Rural Electrification Administration, which are member-owners of Basin Electric Power Cooperative; and

WHEREAS, It is felt mutually desirable by KEM Electric Cooperative, Inc. and Basin Electric Power Cooperative that the aforesaid Wholesale Power Contract, as amended, be further amended by extending and changing the expiration date therein from December 31, 2039, to December 31, 2050;

NOW, THEREFORE in consideration of the mutual undertaking herein contained in the said Wholesale Power Contract, as amended, be further amended by extending and changing the expiration date therein from December 31, 2039 to December 31, 2050.

All Directors voted aye on the passage of the above resolution.

CERTIFICATION

I, Carmen Essig, Secretary of KEM Electric Cooperative, Inc., do hereby certify that the above is a true and correct copy of an excerpt from the minutes of the meeting of the Board of Directors of the KEM Electric Cooperative, Inc., of Linton, North Dakota held on the 20th day of September, 2006, at which meeting a quorum was present.

Carmen Essig

Carmen Essig, Secretary/Treasurer
KEM Electric Cooperative, Inc.

**BASIN ELECTRIC POWER COOPERATIVE**

1717 EAST INTERSTATE AVENUE
BISMARCK, NORTH DAKOTA 58503-0564
PHONE 701-223-0441
FAX 701/224-5336

November 10, 2006

**FOR DELIVERY NOVEMBER 13, 2006**

Victor T. Vu, Director
Power Supply Division
USDA - Rural Utilities Service
Stop 1568 – Room 0270-S
1400 Independence Ave SW
Washington, DC 20250-1568

Re: Amendments to Wholesale Power Contract between Basin Electric and its Class A Members

Dear Mr. Vu:

Pursuant to Sections 6.7 and 9.1 of the Amended and Consolidated Loan Contract dated January 1, 1998 between Basin Electric Power Cooperative (**Basin Electric**) and the United States of America, Basin Electric is hereby submitting for your approval Amendments to Wholesale Power Contract between Basin Electric and the following Class A Members:

1. Capital Electric Cooperative, Inc.
2. Central Montana Electric Power Cooperative, Inc.
3. East River Electric Power Cooperative, Inc.
4. Grand Electric Power Cooperative, Inc.
5. KEM Electric Cooperative, Inc.
6. L&O Power Cooperative, Inc.
7. Minnesota Valley Cooperative Light and Power Association
8. Minnesota Valley Electric Cooperative
9. Mor-Gran-Sou Electric Cooperative, Inc.
10. Northwest Iowa Power Cooperative, Inc.
11. Oliver-Mercer Electric Power Cooperative, Inc.
12. Powder River Energy Corporation, Inc.
13. Rosebud Electric Cooperative, Inc.
14. Rushmore Electric Power Cooperative, Inc.
15. Upper Missouri Generation and Transmission Electric Cooperative
16. Wright-Hennepin Cooperative Electric Association

These are all of the Class A contracts except for Tri-State. It is our understanding that Tri-State is currently working to extend its member contracts, and when completed, will execute our contract also.

# BASIN ELECTRIC POWER COOPERATIVE

## CERTIFICATE

I, Kermit Pearson, do hereby certify that I am the presently duly elected, qualified and acting Secretary-Treasurer of Basin Electric Power Cooperative, and the keeper of its records; that the following is a true and correct excerpt from the minutes of the meeting of the Board of Directors of the Cooperative held September 13-14, 2005:

BE IT RESOLVED, that the Amendments to Wholesale Power Contracts between Basin Electric Power Cooperative and its Class A Members which extend the Class A Members' power contracts through 2050 are hereby approved; and

BE IT FURTHER RESOLVED, that the officers are hereby authorized to execute said Amendments to Wholesale Power Contracts.

Said resolution has never been rescinded, amended or modified, and is presently in full force and effect.

Dated this 10th day of November, 2006.

ELECTRIC POWER COOPERATIVE
CORPORATE SEAL
NORTH DAKOTA

Kermit Pearson
Secretary-Treasurer

KEM0053

AMENDMENT TO
WHOLESALE POWER CONTRACT
BY AND BETWEEN
BASIN ELECTRIC POWER COOPERATIVE
AND
KEM ELECTRIC COOPERATIVE, INC.

This Amendment to Wholesale Power Contract is made as of this 25th day of September 2015, by and between Basin Electric Power Cooperative, 1717 East Interstate Avenue, Bismarck, North Dakota 58501 (**Seller**), a North Dakota electric cooperative corporation, and KEM Electric Cooperative Inc., (**Member**), a North Dakota cooperative whose principal place of business is located in or near Linton, North Dakota.

WITNESSETH:

WHEREAS, Seller and Member entered into a certain Wholesale Power Contract dated September 21, 1964, as amended and

WHEREAS, Seller is joining a Regional Transmission Organization (RTO) named the Southwest Power Pool (SPP) on October 1, 2015; and

WHEREAS, Seller intends to modify its transmission service obligations to pay all Federal Energy Regulatory Commission (FERC) pro forma wheeling assessments related to the Sellers power supply obligations; and

WHEREAS, Seller and Member are entering into this Amendment to modify and define Sellers Points of Delivery to Member; and

WHEREAS, Seller is planning for the eventual retirement of its existing generation sources and replacement with new sources that will require substantial financing; and

WHEREAS, Member acknowledges that Seller and potential lenders are relying on the Wholesale Power Contract with Member, and similar commitments from other members to purchase capacity and energy for their present and future load requirement as security for the financing of Sellers facilities; and

WHEREAS, Seller and Member are entering into this Amendment to extend the term of their Wholesale Power Contract:

NOW THEREFORE, in consideration of the mutual undertakings herein contained, the parties hereby agree as follows:

I. Section 2 of the Wholesale Power Contract shall be amended as follows:

Electric Characteristics and Delivery Point(s). Electric power and energy to be furnished hereunder shall be alternating current, three phase, sixty cycle. The Seller shall deliver and the Member shall receive such power and energy from Seller at the following points of interconnection:

a) with the Southwest Power Pool
b) with the Midcontinent Independent System Operator - Montana Dakota Utilities
c) Sellers generation within the Members system

Member shall provide necessary time registration metering for each Delivery Point used to determine Sellers power supply obligation to the Member. The Seller and the Member shall establish appropriate criteria to calibrate, read, and maintain this metering equipment.

II. Section 4 of the Wholesale Power Contract shall be amended to read as follows:

Rate. Member shall pay Seller for all electric power and energy furnished hereunder at the rates and on the terms and conditions set forth in Rate Schedule "A", attached hereto and made a part hereof, as the same may be modified from time to time by Seller. The Board of Directors of Seller, at such intervals as it shall deem appropriate but in any event not less frequently than once in each calendar year, shall review the rate for electric power and energy furnished hereunder and under similar contracts with other

members and, if necessary, shall revise such rate so that it shall produce revenues which shall be sufficient, but only sufficient, with the revenues of Seller from all other sources, to meet the cost of the operation and maintenance (including, without limitation, replacement, insurance, taxes and administrative and general overhead expenses) of the generating plants, the transmission system and related facilities of Seller, the cost of any power and energy purchased for resale hereunder by Seller, the cost of transmission service, the cost of lease payments, interest expense and depreciation expense or principal repayments of Seller, and to provide for the establishment and maintenance of reasonable reserves. Seller shall cause a notice in writing to be given to Member and other members of Seller and so long as Seller is contractually obligated to do so, to the Administrator of the Rural Utilities Services which shall set out the proposed revisions of rate with the effective date thereof, which shall not be less than thirty (30) nor more than forty-five (45) days after the date of the notice, and shall set forth the basis upon which the rate is proposed to be adjusted and established. The Member agrees that the rate from time to time established by the Board of Directors of Seller shall be deemed to be substituted for the rate herein provided and agrees to pay for electric capacity and energy furnished by Seller to it hereunder after the effective date of any such revision at such revised rates; provided, however, that for so long as Seller is contractually required to receive such approval, no such revision shall be effective unless approved by the Administrator of the Rural Utilities Services.

III. Section 10 of the Wholesale Power Contract as amended October 12, 2005, is hereby amended by deleting the date "December 31, 2050", and substituting the date "December 31, 2075".

IV. Effective Date: The terms of this Amendment shall become effective October 1, 2015.

V. This Amendment is subject to the approval of the Administrator of the Rural Utilities Services.

(SEAL)

BASIN ELECTRIC POWER COOPERATIVE

ATTEST

By: _____

Mark D. Foss, Assistant
Secretary

By: _____

Paul M. Sukut
President

(SEAL)

KEM ELECTRIC COOPERATIVE, INC

ATTEST

By: Carter Vander Wal

Secretary

By: Dean Oewald

President

**BASIN ELECTRIC POWER COOPERATIVE**
A Touchstone Energy® Cooperative

October 21, 2015

**SENT VIA EMAIL AND US MAIL**

Chris Baumgartner, Co-General Manager/CEO
Donald Franklund, Co-General Manager/CEO
KEM Electric Cooperative, Inc.
107 S Broadway
Linton, ND 58552-0790

Dear Mr. Baumgartner and Mr. Franklund:

Enclosed, please find fully executed copies of the following agreements between Basin Electric Power Cooperative (Basin Electric) and KEM Electric Cooperative, Inc. (Member).

- Two copies of the Amendment to the Wholesale Power Contract
- One copy of the Scheduling Agreement

Basin Electric is sending you these agreements prior to having the signed Power Services Agreement so you can begin the RUS approval process of the Amendment to the Wholesale Power contract.

As Basin Electric is no longer a RUS borrower, Basin Electric has no need to request approval of the Amendment to the Wholesale Power Contracts contract anymore. If you need RUS approval of the Amendment to the Wholesale Power Contract please forward on to RUS, as appropriate, and please advise Basin Electric when it has been RUS approved.

In returning the executed Amendment to the Wholesale Power Contract at this time, Basin Electric is assuming your cooperative will also be executing the Power Service Agreement..

If you have any questions, please contact me.

Sincerely,

Daryl M Delzer

Daryl Delzer on behalf of
David D. Raatz, VP of Cooperative Planning

dmd/ts
Enclosures

cc: Paul Sukut
Becky Kern
Casey Jacobson