




**West River Electric
Association, Inc.**

Your Touchstone Energy® Partner 

Home Office

1200 West Fourth Ave.
PO Box 412
Wall, SD 57790-0412
Telephone: (605) 279-2135
Toll Free: 1-888-279-2135

Branch Office

3250 E. Hwy. 44
PO Box 3486
Rapid City, SD 57709-3486
Telephone: (605) 393-1500
Toll Free: 1-888-393-1500

January 25, 2010

Pauline Sumption
Assistant Finance Officer
City of Rapid City
300 Sixth Street
Rapid City, SD 57701-5035

Dear Ms. Sumption:

We received your notice regarding the Electric Cooperative Revenue Agreement between The City of Rapid City and West River Electric Association, Inc. We intend to renew this Revenue Agreement for future years.

For your information, I will be replacing Jim Pahl as the CEO/General Manager effective February 1, 2010 upon his retirement. I look forward to working with you and the City of Rapid City in the future on this and any other projects.

If you have any further questions, please contact me.

Sincerely,

Dick Johnson,
Manager of Finance

CC: Dan Hutt BHEC

RDJ/rj



**Black Hills
Electric Cooperative, Inc.**
P.O. Box 792
Custer, South Dakota 57730-0792

Telephone: (605) 673-4461
Toll Free: (800) 742-0085
E-mail: bhec@bhec.coop
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January 21, 2010

Ms. Pauline Sumpton
Assistant Finance Officer
City of Rapid City
300 Sixth St.
Rapid City SD 57701-5035

Dear Ms. Sumpton:

Thank you for your notice of January 15, 2010 regarding the electric cooperative revenue agreement between the City of Rapid City and Black Hills Electric Cooperative. Pursuant to that notification, this letter serves as notification of Black Hills Electric Cooperative's intent to renew the Electrical Cooperative Revenue Agreement.

Thank you. If you have any questions, please feel free to contact me.

Sincerely,

BLACK HILLS ELECTRIC COOPERATIVE, INC.

Daniel E. Hutt
General Manager and Executive V.P.

CC: BHEC Board of Directors
Jim Pahl
Walker Witt
Sammi Langendorf



ELECTRICAL COOPERATIVE REVENUE AGREEMENT

THIS AGREEMENT is made this _____ day of _____, 2010, by and between the City of Rapid City (The "City") and West River Electric Cooperative ("West River") and Black Hills Cooperative Electric ("Black Hills").

WHEREAS, pursuant to SDCL 49-34A-45, West River and Black Hills are required to obtain the City's agreement to reduce the gross revenue receipts tax to One Percent (1%) from the statutory amount of Two Percent (2%);

WHEREAS, the City does not own a Municipal Electrical System;

WHEREAS, the Black Hills serves less than a majority of customers in the City;

WHEREAS, the City is willing to accept less than the statutory amount of Two Percent (2%) of the gross revenue receipts of Black Hills and West River upon the terms and conditions set forth herein;

NOW, THEREFORE, for and in consideration of the mutual covenants herein, the receipt and sufficiency of which are hereby acknowledged, the parties, wishing to be bound, hereby agree as follows:

1. Black Hills and West River shall each pay to the City One Percent (1%) of the Gross receipts collect by the Cooperatives to the City as payment under SDCL 49-34A-45.
2. Said agreement to be effective for the Calendar Year 2012 and renewable each year thereafter by written agreement of the parties before May 1st of each year.
3. This contract shall inure to the benefit of, and be binding upon, the respective parties hereto, and their successors and assigns.
4. This contract shall be effective as of the date first set forth above.
5. The parties will save and hold each other harmless, and indemnify each other, from any and all damages resulting from the negligence of the other concerning the matters contemplated herein.
6. This contract shall be interpreted in accordance with the laws of the State of South Dakota.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized officers as of the day and year first above written.

CITY OF RAPID CITY OF RAPID CITY

Alan Hanks, Mayor

ATTEST:

Finance Officer

(SEAL)

BLACK HILLS ELECTRIC COOPERATIVE

WEST RIVER ELECTRIC ASSOCIATION
