

BLACK HILLS POWER
Application and Agreement for Electric Service Extension
State of South Dakota

Contract Number _____
Effective Date _____

The "Company" Black Hills Power and the "Applicant"

Applicant: CITY OF RAPID CITY

Address: 300 6TH STREET

RAPID CITY

SD 57701

Agree as follows:

- (1) The Company will install and furnish electric service for the Customer
3201 CANYON LAKE DRIVE T1N, R7E, S03, RAPID CITY
in accordance with rates and extension rules on file with the South Dakota Public Utilities Commission.
- (2) The Applicant agrees to accept service under the following rate schedule **20** or if eliminated the most economical and applicable remaining rate schedule for a period of not less than forty-eight (48) months from the date of initial service. The Annual Revenue from service to the Applicant as determined under Section 800 Line Extensions resulting in a Line of the Company's Tariffs is \$ 1,200 Extension Allowance of \$ 4,800 of Company financed facilities (cost estimate attached).

If it is determined at any time subsequent to the execution of this Application that the Applicant has changed the nature of his/her electrical service, the Line Extension Allowance shall be adjusted accordingly, which may result in a charge to the Applicant, if the construction costs exceed the correct Line Extension Allowance.
- (3) If applicable, the Applicant agrees to pay the Company prior to construction of facilities:
 - a) A refundable Advance Deposit subject to the rules filed by the Company for the cost of extending electric facilities beyond the Line Extension Allowance determined at (2) above \$ 9,325
- (4) The Applicant shall, without cost to the Company, make or procure satisfactory conveyance to Company of right-of-way for Company's lines necessary and incidental to the furnishing of service to customer and for continuing, upgrading or extending said lines over and across the property owned or controlled by Applicant.
- (5) The Applicant shall, without cost to the Company, furnish a cleared right-of-way, and also grants to the Company for maintenance purposes, the right, as the Company may see fit, to cut, trim, or remove from said right-of-way any brush, trees, stumps, or roots.

(6) For underground line extensions and service laterals the Applicant will provide all trenching to the Company specifications, washed sand, or approved bedding, conduit when required, backfill, or any other restoration work required.

(7) The Applicant will be entitled to refunds of the Advance Deposit under two (2) separate and distinct calculations:

a) The applicant may be entitled to a refund of all or part of any Advance Deposit required under paragraph (3) if additional extensions are constructed from the electric facilities requested herein. Only those line extensions which connect directly with the facilities partially financed by the Applicant, without any intervening line extensions will be considered when determining the Applicant's entitlement for a refund. The refund will be equal to the difference between the applicable Line Extension Allowance for the new applicant and the estimated construction cost of the additional electric facilities. The Applicant will receive any applicable refund within thirty (30) days of the Applicant contacting the Company regarding the construction of additional electric facilities. The refunded advance deposit shall not bear interest.

(b) The Applicant may be entitled to a refund of all or part of any Advance Deposit required under paragraph (3) if the actual revenue from the Applicant's account(s) served during the first four (4) years as a result of this application exceeds the Line Extension allowance. The refunded advance deposit shall bear simple interest at the rate of seven (7) percent annually.

Refunds will be made only to the Applicant if still receiving service at the same location. Eligibility for refunds under a) above is limited to four (4) years from the effective date of this agreement. Eligibility for refunds under b) above is determined four (4) years from the effective date of this agreement. In no case shall the total refund to the Applicant exceed the amount of the Advance Deposit. Any Advance Deposit not refunded to the Applicant as set forth above shall be retained and become the property of the Company.

(8) The refundable Advance Deposit or any portion thereof shall not be assignable by the Applicant. Payments of such refundable Advance Deposit shall continue to be made when due to the Applicant notwithstanding a transfer of the place to which electric service was extended.

Applicant

Black Hills Power INC

Accepted by:

Date _____

Date _____

Copies: Applicant, Property, G.O.,
Contract File, District Office

JPC 7-7-08

Prepared By: Robert M. Usera
Black Hills Power, Inc.
PO Box 1400
Rapid City, SD 57709
(605) 721-3200

RMU
7-7-08

WO# 94600

RIGHT-OF-WAY PERMIT - UG CORPORATION

I, or We, **City of Rapid City**, in consideration of the sum of \$1.00, receipt of which is hereby acknowledged, hereby grants to BLACK HILLS POWER, INC., having its principal place of business and post office address at 625 Ninth Street, P.O. Box 1400, Rapid City, South Dakota 57709, its successors and assigns, a perpetual right-of-way and easement to construct, operate and maintain, repair, alter, inspect, remove, upgrade, enhance and replace an electrical power system consisting of buried cables or wires, surface terminals, surface markers, transformer pads or vaults, and an electrical power line with poles, wires and associated equipment, and all necessary attachments and appurtenances, with the right of ingress and egress therefor, together with the power to extend to any communications company the right to use any pole or trench placed pursuant to the provisions hereof, upon, over and across that certain piece of real estate hereinafter described, together with the right to cut, trim, or remove from said right-of-way any brush, trees, stumps, or roots where necessary to secure a clearance from the conductors of at least **10** feet on each side of the center line of said right-of-way. This easement shall run with the land. The centerline of the powerline as constructed is the center line of the easement.

The real estate above referred to is specifically described as follows: **SEE EXHIBIT "A"**

The foregoing right is granted upon the express condition that Black Hills Power, Inc. will assume liability for all damage to the hereinbefore described property caused by said Black Hills Power, Inc. failure to use due care in its exercise of the granted right.

Dated this ____ day of _____, 2008. [Corporate Seal]

Signed: _____

Signed: _____

STATE OF: South Dakota COUNTY OF: Pennington

On this ____ day of _____, 2008, before me, the undersigned officer, personally appeared _____ and _____, who acknowledged themselves to be the _____ and _____, respectively, of the **City of Rapid City**, a Corporation, and at that they as such officers, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the Corporation by themselves as such officers.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public

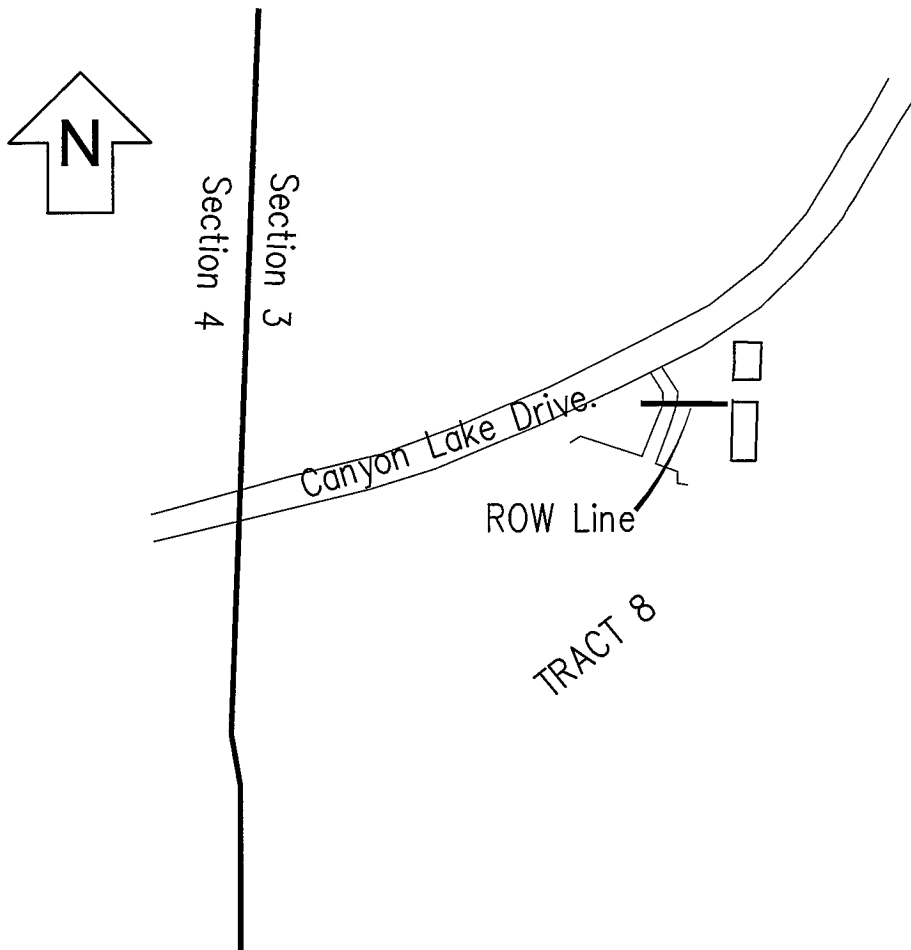
My Commission Expires

(Seal)

WO#94600

” EXHIBIT A ”

Tract 8 of the Rapid City Greenway Tract Located in the
SW 1/4 of Section 3, T1N, R7E
BHM, Pennington County, South Dakota



Note: The Center of the Powerline as constructed is the centeline of the easement.



GRADE AGREEMENT

This Agreement made the _____ day of _____, 2008 between Black Hills Power, hereinafter called the Utility, and City of Rapid City, hereinafter called the Developer, witnesseth:

The Utility will locate its equipment, and facilities in the areas requested and designated by the Developer on the land being developed by Developer as shown on the Map or Plat of Tract 8 In Section 3, T1N, R7E for the Parks and Recreation Maintenance Expansion, which Map or Plat is hereby attached to and made a part of this Agreement. The Developer shall furnish to the Utility the final elevations and grades, which final elevations and grades shall be accurate to ± 6 inches (final elevations and grades, are interpreted to mean, all work necessary prior to acceptance by homeowner). In addition, the Developer shall advise the Utility prior to commencing any excavations or grades after Utility facilities have been constructed, Developer will pay at its sole expense all costs or raising, lowering, relocating, or otherwise rearranging, repairing, or changing such facilities when in the opinion of the Utility such work is necessary to provide required clearances, stability and protection of structures or underground facilities in accordance with an applicable building or construction codes, and policies of the Utility. In the event that the Developer or any independent contractor of the Developer has not complied with the terms and conditions of this Agreement, and if damage to any existing Utility facilities occurs, the Developer shall pay all damages and loss suffered by the Utility in repairing, relocating, or replacing such facilities, including a reasonable attorney's fee.

The Developer will establish a sufficient number of lot corners when requested by Utility in order that the Utility facilities may be placed in its proper location with respect to easement, street, or alley lines, and other utilities.

In witness whereof the aforesaid parties have hereunto by their authorized representatives set their hands and seals on the day and year first above written.

Witness or Attest:

Black Hills Power

By: _____

Developer

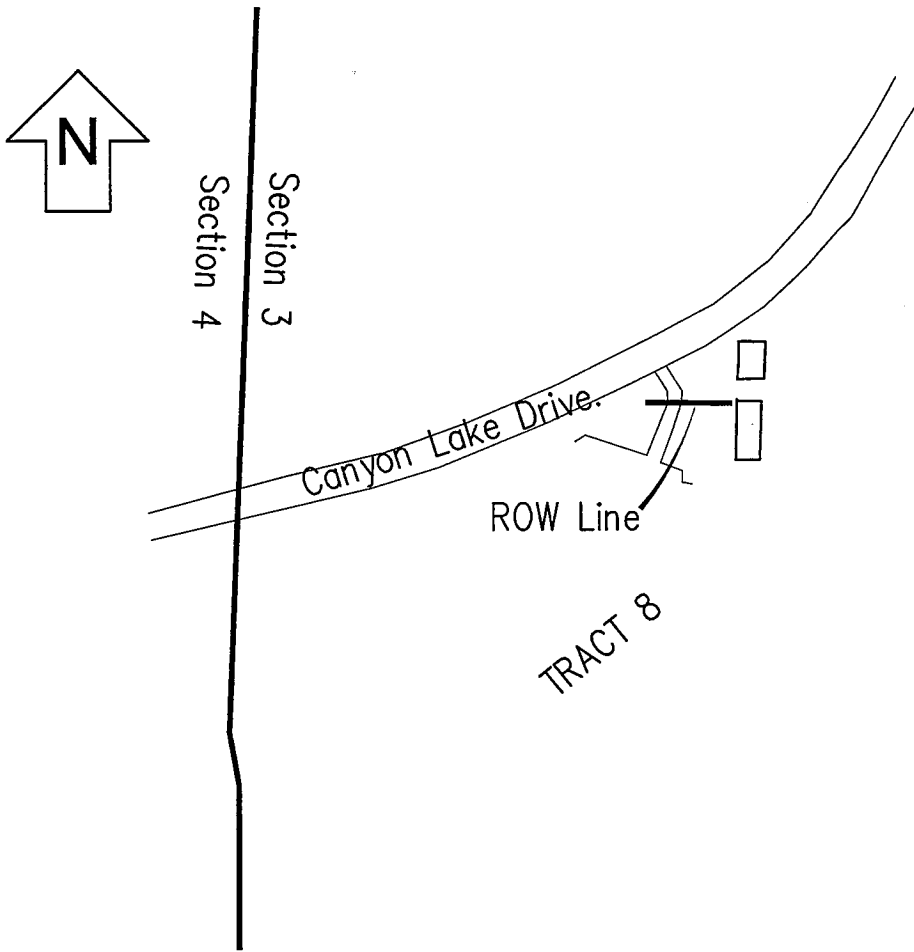
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