



Black Hills Energy
A Division of Cheyenne Light, Fuel and Power Company

Wyo. P.S.C. Tariff No. 2
Original Sheet No. 1

WYOMING P.S.C. TARIFF NO. 2

including
Schedule of Rates for Natural Gas Service
And
Rules and Regulations

OF

BLACK HILLS ENERGY,
a Division of Cheyenne Light, Fuel and Power Company

1301 West 24th Street
Cheyenne, Wyoming 82001
(888) 890-5554

Office Hours: Weekdays, 8:00 AM until 5:00 PM
These hours subject to change without notice.

Filed with the

WYOMING PUBLIC SERVICE COMMISSION

Contact Person Familiar with this Tariff:

Jerrad Hammer, Director – Regulatory



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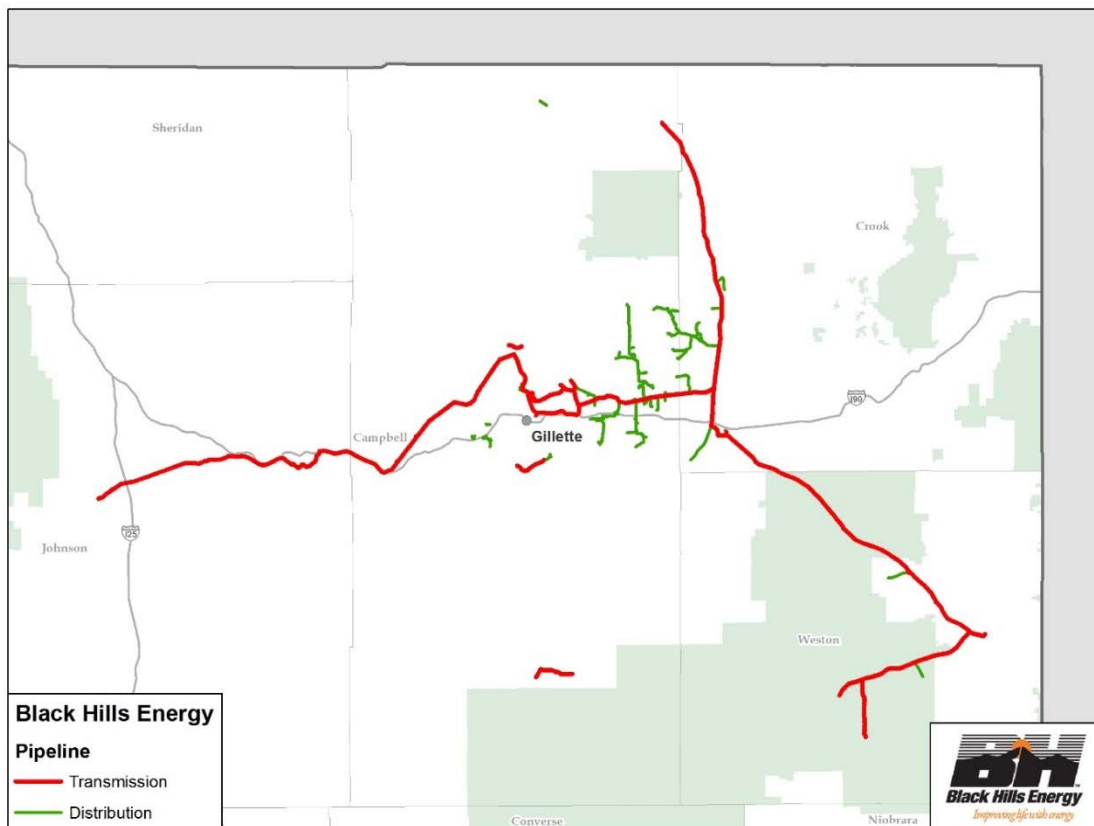
**SCHEDULE OF RATES
FOR NATURAL GAS SERVICE
IN THE ENTIRE TERRITORY SERVED BY BLACK HILLS ENERGY
GENERAL STATEMENT REGARDING RATE AVAILABILITY**

Rates for service are available within all territory supplied with natural gas service by Black Hills Energy a Division of Cheyenne Light, Fuel and Power Company (hereinafter “Black Hills Energy” or “the Company”) unless otherwise provided in the individual Rate Schedule.

For an index of Rate Schedules and rate sheet numbers see the Table of Contents, Sheet No. 2. The Company shall, upon request, provide its Customers such information and assistance as is reasonably possible and necessary in order that Customers may secure safe, adequate and reliable service. When more than one rate is available, the Company shall advise an Applicant, upon request, which rates are available to the Applicant. If at any time subsequent to the commencement of service, the Customer requests assistance, the Company shall advise the Customer which rates are available to the Customer.

The territory served by the Company includes the points of delivery in the portions of the counties of Crook, Weston, Campbell, Johnson, and Converse as authorized by the Wyoming Public Service Commission (“PSC” or “Commission”).

Service under the Rate Schedules contained herein is subject to the terms and conditions set forth in the Company’s Rules and Regulations of this Wyo. P.S.C. Tariff No. 2 which by reference are made a part hereof. Any future modifications, additions or deletions to said Rules and Regulations shall, from and after their effective date, apply to service provided pursuant to these Rate Schedules.





**NATURAL GAS RATES
RATE SCHEDULE
TABLE OF RATES**

SALES SERVICE

<u>Billing Group</u>	<u>Type of Charge</u>	<u>Billing Units</u>	<u>Base</u>	<u>PSIM</u>	-----Gas Adjustments-----		<u>Total Gas Supply Charge</u>	<u>Total Rate</u>
					<u>Projected Gas Supply Costs</u>	<u>Deferred Gas Costs</u>		
Small General Service – SG Sheet No. 8	Customer	Month	\$5.9600					\$5.9600
	Delivery	Dth	\$1.4577	\$0.2024	\$1.9437	(\$0.4074)	\$1.5363	\$3.1964
Large General Service – LG Sheet No. 10	Customer	Month	\$25.29					\$25.29
	Delivery	Dth	\$1.0675	\$0.1792	\$1.9437	(\$0.4074)	\$1.5363	\$2.7830

TRANSPORTATION SERVICE

<u>Billing Group</u>	<u>Type of Charge</u>	<u>Billing Units</u>	<u>Base</u>	<u>Demand Charge</u>	<u>PSIM</u>	<u>Authorized Overrun Charge</u>	<u>Total Rate</u>
Small Firm Transportation Service – SFT Sheet No. 12	Customer	Month	\$178.57				\$178.57
	Demand	Dth		\$3.2176			\$3.2176
	Delivery	Dth	\$0.1210		\$0.2143		\$0.3353
	Authorized Overrun	Dth				\$0.7500	\$0.7500
Large Firm Transportation Service – LFT Sheet No. 12	Demand	Dth		\$2.7500		\$0.7500	\$2.7500
	Delivery	Dth	\$0.3316		\$0.2237		\$0.5553
	Authorized Overrun	Dth				\$0.7500	\$0.7500



Black Hills Energy
A Division of Cheyenne Light, Fuel and Power Company

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Original Sheet No. 5

NATURAL GAS RATES

RESERVED FOR FUTURE USE



**NATURAL GAS RATES
RATE SCHEDULE SUMMATION SHEET
SCHEDULE OF CHARGES FOR RENDERING SERVICE AND CONSTRUCTION ALLOWANCES**

Sheet No.	Type	Unit	Cost
		Unless otherwise ordered by the Commission, the required deposit shall not exceed the total amount of the Customer's estimated bill for three months of highest use based on the premises' monthly bills during the immediate previous 12-month period. If no Billing History is available the average of the customer class will be used.	
R13	Customer Deposit		
R11	Customer Service Charge		\$15.00
R12	Returned Check Charge		\$30.00
R20	Reconnection Charge - Normal Business Hours		\$25.00
R48	Late Payment Fee	On Balance of Undisputed Bill	1.5%
R50	Meter Testing Fee		\$25.00
R63	Excess Flow Valve Charge		\$45.00
Construction Allowance			
R58	-Permanent Small General Gas Service	Est. Annual Rev.	1.5x
R58	-Permanent Large General Service	Est. Annual Rev.	1.5x
R59	-Indeterminate Service	Est. Construction Costs	100%
R59	-Permanent Natural Gas Transportation Service	Est. Construction Costs	100%
R59	-Temporary and Intermittent Service	Est. Construction Costs & Disconnection	100%
Various	Commission's Authorized Interest Rate	As authorized, by Commission Rule Chapter 1, Section 2(a)(xv)	
13	Fuel, Loss and Unaccounted Reimbursement %		0.35%

Office Hours: Weekdays, 8:00 AM until 5:00 PM
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List of Legal Holidays

New Year's Day	January 1
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	First Monday in September
Thanksgiving Day	Fourth Thursday in November
Friday after Thanksgiving	Friday Following Thanksgiving
Christmas Day	December 25

If a holiday falls on a weekend, the day of observance will be the closest work day to the holiday

Upon declaration of the governor of this state, any date appointed or declared by the President of the United States as an occasion of national mourning, rejoicing or observance of national emergency



Black Hills Energy
A Division of Cheyenne Light, Fuel and Power Company

Wyo. P.S.C. Tariff No. 2
Original Sheet No. 7

NATURAL GAS RATES

RESERVED FOR FUTURE USE



**NATURAL GAS RATES
SMALL GENERAL SERVICE
SCHEDULE SG**

2.1.1 APPLICABILITY

Applicable within all territory serving Small General Service. Not applicable to resale service.

Small General Service is the furnishing of natural gas for the use of the individual Customer for domestic purposes and for small commercial enterprises. The maximum usage rate for Small General Service shall be equal to or less than 150 Dekatherms ("Dth") per month.

2.1.2 MONTHLY RATE

The Customer shall pay to the Company each month the sum of the charges set forth below.

- a. Customer Charge: The monthly Customer Charge shall be the number of the Customer's meters multiplied by the Customer Charge applicable to Small General Service.
- b. Delivery Charge: The monthly Delivery Charge shall be the quantity of natural gas in Dth delivered by the Company to the Customer at all of the Customer's meters during the month multiplied by the Delivery Charge per Dth applicable to Small General Service.
- c. Gas Supply Charge: The monthly Gas Supply Charge shall be the quantity of natural gas in Dth delivered by the Company to the Customer at all of the Customer's meters during the month multiplied by the Gas Supply Charge per Dth applicable to Small General Service.
- d. In the event that the Company is required to make payments including but not limited to franchise fees or payments, sales taxes, occupancy taxes or the like, as a result of sales service being rendered to the Customer by the Company, these charges will be included in the Customer bill from the Company to the Customer, less any fees already included in base rates.

The rates charged pursuant to this Rate Schedule are shown on the Rate Schedule Table of Rates, Sheet No. 4.

2.1.3 GAS SUPPLY CHARGE

This Rate Schedule is subject to the Gas Supply Charge provisions commencing on Sheet No. 17.



**NATURAL GAS RATES
SMALL GENERAL SERVICE
SCHEDULE SG - CONTINUED**

2.1.4 RULES AND REGULATIONS

Service supplied under this schedule is subject to the terms and conditions set forth in the Company's Rules and Regulations contained herein and the following special conditions:

- a. The Customer may be required to install an adequate pulsation chamber ahead of a gas engine.
- b. The point of delivery and location of the meter shall be determined by the Company. Except in unusual situations, such point and meter location shall be outside and as near to the Customer's utilization equipment as practicable in accordance with 49 CFR §192. If a meter must be installed inside a building, the meter shall be located as near as practicable to where the service pipe enters the building. All piping beyond the point of delivery shall be installed, owned and maintained by the Customer.



**NATURAL GAS RATES
LARGE GENERAL SERVICE
SCHEDULE LG**

2.2.1 APPLICABILITY

Applicable within all territory serving Large General Service. Not applicable to standby, auxiliary or resale service.

Large General Service is the furnishing of natural gas under this Large General Rate Schedule for large commercial services and industrial manufacturing or processing uses. Large General Service is subject to the prior rights to available gas of Small General Service Customers. The minimum usage rate for Large General Service shall be greater than 150 Dth per month, unless otherwise specifically agreed to between the Company and the Customer.

2.2.2 MONTHLY RATE – LARGE GENERAL SERVICE CHARGES

The Customer shall pay to the Company each month the sum of the charges set forth below.

- a. Customer Charge: The monthly Customer Charge shall be the number of the Customer's meters multiplied by the Customer Charge applicable to Large General Service.
- b. Delivery Charge: The monthly Delivery Charge shall be the quantity of natural gas in Dth delivered by the Company to the Customer at all of the Customer's meters during the month multiplied by the Delivery Charge per Dth applicable to Large General Service.
- c. Gas Supply Charge: The monthly Gas Supply Charge shall be the quantity of natural gas in Dth delivered by the Company to the Customer at all of the Customer's meters during the month multiplied by the Gas Supply Charge per Dth applicable to Large General Service.
- d. In the event that the Company is required to make payments including but not limited to franchise fees or payments, sales taxes, occupancy taxes or the like, as a result of sales service being rendered to the Customer by the Company, these charges will be included in the Customer bill from the Company to the Customer, less any fees already included in base rates.

The rates charged pursuant to this Rate Schedule are shown on the Rate Schedule Table of Rates, Sheet No. 4.



**NATURAL GAS RATES
LARGE GENERAL SERVICE
SCHEDULE LG - CONTINUED**

2.2.3 MONTHLY MINIMUM CHARGE

The Monthly Minimum for the Customer shall be the Customer Charge.

2.2.4 GAS SUPPLY CHARGE

This Rate Schedule is subject to the Gas Supply Charge provisions commencing on Sheet No. 17.

2.2.5 CONVERSION TO TRANSPORTATION SERVICE

Should a Customer desire conversion to Firm Transportation Service under Rate Schedule SFT or LFT, the Customer shall submit a Transportation Request Form, or if being served by a third party, shall notify the Company of the third party through which such transportation to the Customer will be provided, and the third party shall submit a Transportation Request Form, to the Company for the proposed Firm Transportation Service. The provisions of the applicable Firm Transportation Service Rate Schedule and the Company's Rules and Regulations shall apply. All conversions from Sales Service to Firm Transportation Service shall be effective at the beginning of a Month. The Customer will be eligible to return to Sales Service hereunder one (1) year after the Customer's conversion to the Company's Firm Transportation Service, in accordance with the Rules and Regulations of the Company's Tariff.

2.2.6 RULES AND REGULATIONS

Service supplied under this schedule is subject to the terms and conditions set forth in the Company's Rules and Regulations contained herein and the following special conditions:

- a. The Customer may be required to install an adequate pulsation chamber ahead of a gas engine.
- b. The point of delivery and location of the meter shall be determined by the Company. Except in unusual situations, such point and meter location shall be outside and as near to the Customer's utilization equipment as practicable in accordance with 49 CFR §192.. If a meter must be installed inside a building, the meter shall be located as near as practicable to where the service pipe enters the building. All piping beyond the point of delivery shall be installed, owned and maintained by the Customer.



**NATURAL GAS RATES
FIRM TRANSPORTATION SERVICE
SCHEDULES SFT AND LFT**

2.3.1 APPLICABILITY

Applicable to the Shipper(s) having acquired by separate agreement, supplies of natural gas ("Shipper's Gas") and where the Company has available System capacity in excess of that presently required for service to existing firm gas sales Customers and firm Shippers. Service is applicable to firm transportation of the Shipper's Gas from the Company's Receipt Point(s) to the Delivery Point(s) through the Company's System pursuant to an executed Firm Gas Transportation Service Agreement ("Transportation Service Agreement"), in the form contained in this Tariff ("Tariff"). Service provided hereunder shall be in accordance with the executed Transportation Service Agreement between the Company and the Shipper, and the requirements of the Firm Transportation Service provisions and the Rules and Regulations of the Company's Tariff. The Firm Transportation Service provisions contained herein are applicable to Rate Schedules SFT and LFT. Firm Capacity reserved under these Rate Schedules SFT and LFT shall be designated for Receiving Party(s) at specific Delivery Point(s).

- a. Rate Schedule SFT – Small Firm Transportation Service. The total Maximum Daily Quantity for Small Firm Transportation Service, as set forth in the Shipper's Exhibit B to the Transportation Service Agreement, shall be equal to or less than 10,000 Dth. The Shippers transporting pursuant to a choice gas program may aggregate their Maximum Daily Quantity with the Maximum Daily Quantities of the other Shippers transporting pursuant to that same choice gas program for purposes of determining the total Maximum Daily Quantity for Small Firm Transportation Service or Large Firm Transportation Service applicability.
- b. Rate Schedule LFT – Large Firm Transportation Service. The total minimum total Maximum Daily Quantity for Large Firm Transportation Service, as set forth in the Shipper's Exhibit B to the Transportation Service Agreement, shall be greater than 10,000 Dth. The Shippers transporting pursuant to a choice gas program may aggregate their Maximum Daily Quantity with the Maximum Daily Quantities of the other Shippers transporting pursuant to that same choice gas program for purposes of determining the total Maximum Daily Quantity for Small Firm Transportation Service or Large Firm Transportation Service applicability.

2.3.2 MONTHLY RATE – FIRM TRANSPORTATION SERVICE CHARGES

The Shipper shall pay to the Company each month the sum of the charges set forth below as such charges are designated to be applicable to the Firm Transportation Service rendered by the Company for the Shipper under the executed Transportation Service Agreement. The Shippers transporting pursuant to Rate Schedule SFT will be charged in accordance with the Rate Schedule SFT charges. The Shippers transporting pursuant to Rate Schedule LFT will be charged in accordance with the Rate Schedule LFT charges. The rates charged pursuant to this Rate Schedule are shown on the Rate Schedule Table of Rates, Sheet No. 4.



**NATURAL GAS RATES
FIRM TRANSPORTATION SERVICE
SCHEDULES SFT AND LFT - CONTINUED**

2.3.2 MONTHLY RATE – FIRM TRANSPORTATION SERVICE CHARGES - CONTINUED

- a. Customer Charge: The monthly Customer Charge shall be the number of Delivery Point(s) specified on Exhibit B to the Shipper's executed Transportation Service Agreement multiplied by the Customer Charge applicable to the appropriate firm Transportation Service.
- b. Demand Charge: The Demand Charge shall be the Maximum Daily Quantity for all Delivery Point(s) specified on Exhibit B to the Shipper's executed Transportation Service Agreement multiplied by the Demand Charge rate per Dth applicable to the appropriate firm Transportation Service.
- c. Delivery Charge: The Delivery Charge shall be the quantity of natural gas in Dth delivered by the Company to the Shipper or for the Shipper's account at the Delivery Point(s) during the month multiplied by the Delivery Charge per Dth applicable to the appropriate firm Transportation Service.

The rates charged pursuant to this Rate Schedule are shown on the Rate Schedule Table of Rates, Sheet No. 4.

2.3.3 MONTHLY MINIMUM CHARGES

The Monthly Minimum shall be the sum of the monthly Customer Charge multiplied by the number of Delivery Point(s) specified on Exhibit B to the Shipper's executed Transportation Service Agreement, plus the Firm Transportation Demand Charge multiplied by the Maximum Daily Quantity for all Delivery Point(s) specified on Exhibit B to the Shipper's executed Transportation Service Agreement. In the event, the Company is required to make any payments including but not limited to franchise fees or payments, sales taxes, occupancy taxes or the like, as a result of the transportation service being rendered to the Shipper by the Company, these charges will be included in billings from the Company to the Shipper less any fees or charges already included in base rates.

2.3.4 FL&U REIMBURSEMENT

The Shippers receiving Firm Transportation Service shall include additional gas for incremental Fuel, Loss and Unaccounted for ("FL&U") Reimbursement to the quantity of gas delivered to the Company. Unless otherwise specified, the FL&U Reimbursement for Firm Transportation Service, is as shown on the Schedule of Charges, Sheet No. 6.

2.3.5 FIRM TRANSPORTATION SERVICE

Firm Transportation Service is offered for those Shippers desiring to reserve firm capacity in the Company's System. The Shippers desiring Firm Transportation Service are required to submit to the Company a Transportation Service Request as outlined in Section 3.3.3 of the Tariff, which contains, among other information, the Maximum Daily Quantity for which the Shipper desires the Company to reserve firm capacity in its System and the Rate Schedule (SFT or LFT) for which the Shipper is requesting service.



**NATURAL GAS RATES
FIRM TRANSPORTATION SERVICE
SCHEDULES SFT AND LFT - CONTINUED**

2.3.5 FIRM TRANSPORTATION SERVICE – CONTINUED

Black Hills Energy shall not be obligated to provide firm capacity requested by the Shipper unless adequate firm capacity is available without the construction of additional facilities by the Company. Black Hills Energy shall advise a Shipper requesting firm transportation under Rate Schedule(s) SFT and/or LFT pursuant to a Transportation Service Request if adequate firm capacity does not exist on any portion of the Company's system for the service requested, and the Shipper and the Company shall cooperate in devising a transportation service which utilizes the available firm capacity, if any, existing on the Company's system. Available firm capacity shall be Allocated by the Company as determined by the Company pursuant to Section 3.3.5 of the Tariff Rules and Regulations and Firm Transportation Service hereunder shall be provided in accordance with such Allocation.

Firm Transportation Service shall commence upon the effective date of the Transportation Service Agreement, and will be subject to the Supply Curtailment and Capacity Interruption sections of the Tariff Rules and Regulations.

2.3.6 MAXIMUM DAILY QUANTITY

A Shipper's Maximum Daily Quantity, plus any applicable FL&U Reimbursement volumes, shall be the maximum quantity of gas which the Company shall be obligated to receive from the Shipper (or for the Shipper's account) at the Primary Receipt Point(s) for transportation and delivery to the Shipper at the Primary Delivery Point(s) under these Rate Schedules SFT and LFT.

The Maximum Daily Quantity shall be specified on Exhibits A and B of the executed Transportation Service Agreement. The total Maximum Daily Quantity for all Primary Receipt or Delivery Points shall not exceed the Maximum Daily Quantity for the transportation path.

If the Shipper's Maximum Daily Quantity at any Delivery Point is overrun by Receiving Party and such overrun has not been curtailed pursuant to the Overrun Interruption or Supply Curtailment sections of the Tariff Rules and Regulations, such overrun volumes will be subject to the Authorized Overrun Transportation Service and charged the applicable Authorized Overrun Charge.

The Shipper shall submit to the Company the relevant sections of the Transportation Service Request form, including the Changes to Initial Request or Transportation Service Agreement section of the form, any time the Shipper desires to make changes to its Transportation Service Agreement. The completed request will either be approved or denied by the Company within thirty (30) days of receipt thereof. If denied, written notification will be provided to the Shipper detailing the reasons for denial, as well as an explanation of what changes would be necessary to make the request acceptable.



**NATURAL GAS RATES
FIRM TRANSPORTATION SERVICE
SCHEDULES SFT AND LFT - CONTINUED**

2.3.6 MAXIMUM DAILY QUANTITY - CONTINUED

For requests to add, change or modify capacity at the Delivery Point(s), if accepted by the Company, Exhibit B to the Shipper's Transportation Service Agreement will be amended to reflect the change in the Delivery Point(s), including the related Maximum Daily Quantity. Firm Transportation Service at the revised Delivery Point(s) will commence upon the effective date of the amended Exhibit B to the Transportation Service Agreement, subject to the Supply Curtailment and Overrun Interruption sections of the Tariff Rules and Regulations. The Maximum Daily Quantity will be specified in the Transportation Service Agreement and the rate for Firm Transportation Service will be as specified on the currently effective Sheet No. 4 of this Tariff.

If a Delivery Point is removed from Exhibit B to the Transportation Service Agreement pursuant to the procedures defined above, and the Shipper subsequently requests the addition of that same Delivery Point within a period of twelve (12) months from the effective date of the amended Exhibit B removing such Delivery Point, the Shipper shall, upon the Company's approval of the Shipper's request to add the Delivery Point, pay the applicable Firm Transportation Service Demand Charge for the Maximum Daily Quantity associated with that Delivery Point from the effective date of the Exhibit B removing the Delivery Point until the effective date of the amended Exhibit B reflecting the subsequent addition of the Delivery Point. The Company will send an invoice to the Shipper within thirty (30) days after the approval of the request. Payment shall be in accordance with the Payment section of the Tariff Rules and Regulations.

2.3.7 AUTHORIZED OVERRUN TRANSPORTATION SERVICE

In the event the Shipper desires the Company to transport the Shipper's Gas in excess of the Maximum Daily Quantity, the Company may, at its sole discretion, provide such Authorized Overrun Transportation Service on an interruptible basis, provided the Company determines it has sufficient capacity to receive, transport and deliver such quantities, the scheduling of such Authorized Overrun Transportation Service does not affect those Shippers with superior priority of service rights and provided the Company receives the Shipper's Gas at the Receipt Point(s). The Company will provide Authorized Overrun Transportation Service in accordance with the Supply Curtailment and Capacity Interruption sections of the Tariff Rules and Regulations. Authorized Overrun Transportation Service will be provided at the applicable Authorized Overrun Charge stated on the currently effective Sheet No. 4 of this Tariff.

2.3.8 CONTRACT PERIOD

Firm Transportation Service shall commence upon the effective date of the Transportation Service Agreement for a primary term of one (1) year and shall continue from year to year thereafter until canceled by either party with one-hundred and twenty (120) days' written notice prior to the end of the contract period.



**NATURAL GAS RATES
FIRM TRANSPORTATION SERVICE
SCHEDULES SFT AND LFT - CONTINUED**

2.3.9 CONVERSION TO SALES SERVICE

Should a Receiving Party desire conversion from Firm Transportation Service to sales under Rate Schedules SG or LG, such conversion shall be contingent upon the Company's determination that supply is available for sale to Receiving Party. In addition, all costs incurred by the Company relating to any specific facility charges specified in the Transportation Service Agreement shall become immediately due and payable to the Company. All conversions from Firm Transportation Service to Sales Service shall be effective at the beginning of a Month. The Receiving Party will be eligible to return to Firm Transportation Service hereunder one (1) year after its conversion to the Company's Sales Service, through submission of a Transportation Service Request in accordance with the Tariff Rules and Regulations.



NATURAL GAS RATES GAS SUPPLY CHARGE

2.4.1 APPLICABILITY

All Sales Service Rate Schedules for natural gas service are subject to a Gas Supply Charge (GSC), to reflect the total delivered cost of gas purchased from the Company's suppliers. Pursuant to the Rules of the Wyoming Public Service Commission, the Company will file proposed rate adjustments to reflect cost changes to the GSC. The GSC rate will be uniformly applied to all applicable rate classes with usage effective September 1 of each year, or as requested in the Company's application or as otherwise approved by the Commission. If the change to Sales Service Customers' GSC rate is no more than fifteen cents above nor less than fifteen cents below (+/- \$0.15) the existing GSC rate, Black Hills Energy may elect to request no change in the GSC rate. The GSC for all applicable Rate Schedules is as set forth on Sheet Nos. 4 and 5 and will be added to the Company's Delivery Charge for billing purposes.

2.4.2 DEFINITIONS

Commodity Balancing Account (CBA). An account which accumulates the difference between Recovered Gas Cost and Actual Gas Cost. The CBA will be determined monthly by subtracting Recovered Gas Cost from Actual Gas Cost with the result, positive or negative, added to the CBA on a monthly basis. If the CBA reflects an amount due to the Customers, interest will be calculated by multiplying any current Month's credit ending balance of the CBA by the Commission Authorized Interest Rate as defined in the Commission Rules, then by the number of days in the Month as a percentage of the number of days in a year. The interest will then be added (credited) to the over-collected balance on a monthly basis.

Current Gas Cost. A rate component of the GSC, calculated to the nearest one-tenth of a mill per dekatherm (\$0.0001/Dth), which is equal to the Projected Gas Cost divided by the expected sales volume, in Dth, during the GSC Effective Period.

For purposes of determining the expected sales volume for the GSC Effective Period, the Company will utilize the most recent twelve month period of final volumetric data available prior to the filing of the GSC rate adjustment application. The Company will explain any adjustments for purposes of projecting sales volumes.

Projected Gas Cost. The cost of gas commodity projected to be reasonably incurred by the Company during the GSC Effective Period. This cost includes gas purchases, transportation (including demand, commodity and other related fees), storage, gathering, compression, balancing, treating, processing, and like services performed by others for the purpose of effectuating delivery of gas commodity to the Company's natural gas facilities along with directly related applicable taxes, price hedging or forward contracting arrangements, and any other commodity related expenditures projected to be incurred by the Company in providing service to its Customers and specifically approved by the Commission for inclusion in the GSC.



NATURAL GAS RATES GAS SUPPLY CHARGE - CONTINUED

2.4.2 DEFINITIONS - CONTINUED

For the purposes of determining the cost of gas purchases in the Projected Gas Cost, the Company will utilize an average of a NYMEX forecast less the appropriate basis differentials for the various supply delivery points for the GSC Effective Period.

GSC Effective Period. A twelve (12) month period of time, beginning on September 1st of each year or such other duration and effective date as the Company may request in its application or other such period directed by the Commission. This rate shall remain in effect until a new rate is authorized in accordance with Commission Rules.

Deferred Gas Cost. The rate component of the GSC, calculated to the nearest one-tenth of a mill per dekatherm (\$0.0001/Dth), designed to amortize the balance of the CBA over a twelve month period.

This rate component is equal to the balance of the CBA for the latest month end with final volumetric data available at the time of the computation being made under the provisions of this section, divided by the expected sales volume, in Dth, for the twelve month amortization beginning with the proposed effective date of the new GSC Tariff and will be determined on an annual basis. The Company may adjust this rate component more frequently as needed.

For purposes of determining the expected sales volume for the GSC Effective Period, the Company will utilize the most recent twelve month period of final volumetric data available prior to the filing of the GSC rate adjustment application. The Company will explain any adjustments for purposes of projecting sales volumes.

Recovered Gas Cost. The amount includes the actual monthly billed revenue accumulated in FERC Account 191.

Actual Gas Cost. Actual Gas Cost is calculated monthly and includes the prudently incurred cost of gas purchases, transmission (including demand, commodity and other related fees), storage, gathering, compression, balancing, treating, processing, and like services performed by others for the purpose of effectuating delivery of gas commodity to the Company's natural gas facilities along with directly related applicable taxes, price hedging or forward contracting arrangements, and any other commodity related expenditures incurred by the Company in providing service to its Customers and specifically approved by the Commission for inclusion in the GSC.



NATURAL GAS RATES GAS SUPPLY CHARGE - CONTINUED

2.4.3 DETERMINATION OF GAS SUPPLY CHARGE

For the purpose of computing the GSC rate, the following formula will be used:

$$\text{GSC} = (\text{C} + \text{D} + \text{I})$$

C = Current Gas Cost

D = Deferred Gas Cost

I = Incentive Adjustment

The revised GSC will replace the previous GSC.

2.4.4 TREATMENT OF PIPELINE REFUNDS AND INCENTIVE ADJUSTMENT

If, as a result of any order of the Federal Energy Regulatory Commission (FERC) which becomes final and no longer subject to judicial review, the Company receives from any of its gas suppliers pipeline cash refunds, including any interest received thereon, applicable to the Company's sales under the Rate Schedules, the Company shall allocate the amount of such refunds to sales made under such Rate Schedules on the basis of the volumes of gas sold during the refund period. An Application shall be made to the Public Service Commission of Wyoming for approval of a refund plan for the disposition of each pipeline refund received from a pipeline supplier including the interest received thereon.

The Company may file for an Incentive Adjustment in accordance with the provisions of Wyoming Statute (W.S.) § 37-3-115. If the Company applies for an incentive adjustment, the application shall also include sufficient justification for retention of not more than ten percent (10%) of the pipeline supplier refund, pursuant to W.S. § 37-3-115 as an incentive to secure lower pipeline rates before the various regulatory agencies.

2.4.5 INFORMATION TO BE FILED WITH THE PUBLIC SERVICE COMMISSION OF WYOMING

Each filing of a Gas Supply Charge revision will be accomplished by filing an application and will be accompanied by such supporting data and information required by the Commission and necessary to support the reasonableness of the costs and the requested rates.



NATURAL GAS RATES PIPELINE SAFETY AND INTEGRITY MECHANISM

2.5.1 APPLICABILITY

The Pipeline Safety and Integrity Mechanism ("PSIM") is designed to recover the PSIM Revenue Requirement as defined in 2.5.2 associated with the investments in pipeline infrastructure approved in Docket Nos. 30003-62-GA-14 and 30005-187-GA-14 (Record No. 13826) and as described more fully in 2.5.5. Until such time as these infrastructure investments are included in base rates, but no later than March 31, 2021, PSIM costs will be recovered from customers using a PSIM charge applied to all customers' monthly bills.

The PSIM shall be calculated annually using the actual and forecasted capital costs and operating expenses for the just ending calendar year and forecasted Dth billing determinants by customer class, except for the calculation to be used to determine the first PSIM rates effective with usage on or after August 1, 2016. The first PSIM reflects the approved safety and integrity investments completed by April 30, 2016, and uses pro forma billing determinants for the PSIM Effective Period August 1, 2016 – March 31, 2017. Four subsequent PSIMs shall be filed by December 31 each year, beginning December 2016. Each subsequent PSIM will add the approved safety and integrity investments (both completed and planned to be completed) by December 31, the current Balancing Account amounts, and will use the pro forma billing determinants for the PSIM Effective Period. The PSIM shall include over- or under- recovery amounts through the Balancing Account. The Company will request an April 1 effective date.

The Company shall make a PSIM filing with the Commission annually by December 31st of each year. The PSIM filings will: 1) reflect the additional investment in pipeline replacement costs that have been, or that are anticipated to be completed, during the current year; 2) true-up to actual costs the investment costs and related revenue requirement from the amount in the previous year's PSIM, and 3) true-up the revenue collected from customers to the amount reflecting the prior year's true-up investment.

The PSIM applies to all natural gas rate schedules for all classes of service authorized by the Wyoming Public Service Commission.

2.5.2 DEFINITION OF TERMS

PSIM Effective Period. The PSIM shall be effective for usage on and after August 1, 2016. The PSIM shall be updated on an annual basis, with revised rates effective on April 1st of each year subject to the approval of the Commission.

PSIM Revenue Requirement (Table 1 Line 14). The annual PSIM related revenue requirement consisting of return on rate base, federal tax expense, depreciation expense, and property tax expense to be collected through the PSIM.

Total Plant in Service (Table 1 Line 2). The original cost of PSIM plant to be included in the PSIM.

Average Book Depreciation Reserve (Table 1 Line 3). The reduction to rate base reflecting the average depreciation reserve held related to the Total Plant in Service during the test year.



NATURAL GAS RATES PIPELINE SAFETY AND INTEGRITY MECHANISM – CONTINUED

2.5.2 DEFINITION OF TERMS - CONTINUED

Test Year. The first PSIM uses the five month period August 1, 2016 through December 31, 2016. The test year for the four subsequent PSIM filings in 2016 - 2019 shall be the calendar year following the date in which the annual PSIM application is filed.

Average Accumulated Deferred Income Taxes (Table 1 Line 4). The reduction to rate base reflecting the average deferred income taxes resulting from differences between book and tax depreciation rates applied to Total Plant in Service during the test year.

Rate Base (Table 1 Line 5). The result of subtracting the Average Book Depreciation Reserve and Average Accumulated Deferred Income Taxes from Total Plant in Service.

Authorized Return (Table 1 line 6). The rate of return of 7.54 percent.

Interest Expense (Table 1 Line 7). The interest expense is calculated by multiplying Rate Base by the weighted average cost of debt, which is calculated using a cost of long term debt of 5.52 percent and a capital structure comprised of 46 percent debt and 54 percent equity.

Return on Equity ("ROE") Percent (Table 1 Line 8). The return on the equity component of capital cost is calculated by multiplying Rate Base by a ROE of 9.25 percent and a capital structure comprised of 46 percent debt and 54 percent equity.

Tax Multiplier (Table 1 Line 9). The Company's federal tax gross-up factors is based on the federal corporate income tax rate of 35% and is calculated as follows: $1 \div (1 - (0.21))$.

Federal Tax Expense (Table 1 Line 10). The Company's federal tax expense on PSIM is computed by multiplying the amount of return on equity by $(1 \div (1 - 0.21) - 1)$.

Depreciation Expense (Table 1 Line 11). Depreciation expense associated with PSIM distribution plant is calculated multiplying 1.97 percent times the Total Distribution Plant in Service and for transmission plant is calculated by multiplying 1.24 percent times the Total Transmission Plant in Service.

Property Tax Expense (Table 1 Line 12). Property tax related to the PSIM Total Plant in Service will be calculated using a blended property tax rate of 0.3548 percent.

Class Allocator (Table 2 Column A). Assigns the PSIM Revenue Requirement to the customer classes based on the following class allocators: Small General Service of 2.63 percent; Large General Service 8.42 percent; Small Firm Transportation Service of 22.81 percent; and Large Firm Transportation Service of 66.14 percent.



**NATURAL GAS RATES PIPELINE
SAFETY AND INTEGRITY MECHANISM – CONTINUED**

2.5.2 DEFINITION OF TERMS - CONTINUED

Balancing Account (“BA”) (Table 2 Column C). An account which accumulates the difference between 1) the actual monthly PSIM Revenue Requirement by customer class and 2) the amount recovered by customer class in the respective month through the PSIM. Due to the timing of annual filings and PSIM Effective Period, the BA amount included in each filing will include actual recoveries through October. If the BA reflects an amount due to Customers, interest will be calculated by multiplying any current month’s credit ending balance of the BA by the rate prescribed by the Commission’s Rules Chapter 1, Section 2(a)(xv), then by the number of days in the month as a percentage of the number of days in the year. The interest will then be added (credited) to the over-collected balance on a monthly basis.

2.5.3 DETERMINATION OF PSIM REVENUE REQUIREMENT

This calculation is made each year to determine the annual PSIM Revenue Requirement¹.

Table 1: PSIM Annual Revenue Requirement Calculation

PSIM Rate Effective Period April 1, 2018 - March 31, 2019

Line No.		Amount
1a	Distribution Plant in Service	\$ 3,336,302
1b	Transmission Plant in Service	3,026,090
2	Total Plant In Service	6,362,392
3	Average Book Depreciation Reserve	149,592
4	Average Accumulated Deferred Income Taxes	773,782
5	Rate Base	\$ 5,439,018
6	Authorized Return	7.54%
7	Interest Expense	138,151
8	Return on Equity	271,951
9	Tax Multiplier - Federal Tax Rate at 21%	1.26582
10	Federal Tax Expense	72,290
11	Depreciation Expense	103,249
12	Property Tax Expense	22,574
13		
14	PSIM Annual Revenue Requirement	\$ 608,215

¹ Table 1 will be updated each year to reflect the additional PSIM investments and related factors.



**NATURAL GAS RATES PIPELINE
SAFETY AND INTEGRITY MECHANISM – CONTINUED**

2.5.4 DETERMINATION OF PSIM CHARGES

This calculation is made each year to determine the annual PSIM charges.²

Table 2: PSIM Annual Rate Calculation

PSIM Rate Effective Period April 1, 2018 – March 31, 2019

Line No.	Class Allocator	Revenue Requirement	Balancing Account	Net Revenue Requirement	Column E Forecasted Dth Billing Determinant	Column F PSIM Charge per Dth
1						
2	<u>Customer Class</u>					
3	Small General Service	2.63% \$15,996	\$1,062	\$17,058	84,274	\$0.2024
4	Large General Service	8.42% 51,212	6,721	57,933	323,279	\$0.1792
5	Small Firm Transport	22.81% 138,734	16,072	154,806	722,456	\$0.2143
6	<u>Large Firm Transport</u>	<u>66.14%</u> <u>402,273</u>	<u>32,988</u>	<u>435,261</u>	<u>1,946,055</u>	<u>\$0.2237</u>
7						
8	Total	100.00% \$608,215	\$56,842	\$665,057	3,076,064	

² Table 2 will be updated each year to reflect the additional PSIM investments and related factors, Balancing Account amounts, and forecasted Billing Determinants.

2.5.5 Scope of Investments Includable in PSIM

Only the investments made by the Company to replace the pipelines for service to existing customers at the time of construction within the nine segments below may be recovered in the PSIM.

<u>Segment</u>	<u>Estimated Length (Miles)</u>	<u>Pipeline Size (Inches)</u>
Timber Creek	1.6	2
South Rozet	3.2	2
Osborn-Kissack	0.8	2
Conoco	1.5	2
C-Line	5.7	2
Kummerfeld	3.0	2
North Rozet	10.5	2
Rocky Point	5.0	6
Rocky Point	10.0	6

The Company's costs recoverable in the PSIM will not be held to the mileage or pipeline sizes above, due to the following: 1) the miles cited above are estimates only, made by the prior asset owner; 2) the routes of the new, below-ground pipelines may, by necessity, be different from the prior routes; and, 3) the size of the pipeline may change depending on the appropriate size required to serve existing peak day load.

Notwithstanding, the Company bears the burden of demonstrating that the costs it proposes to recover through the PSIM are prudently incurred and result in just and reasonable rates.



**NATURAL GAS RATES PIPELINE
SAFETY AND INTEGRITY MECHANISM – CONTINUED**

2.5.6 INFORMATION TO BE FILED WITH THE COMMISSION

Each annual PSIM filing shall be accompanied by such supporting data and documentation necessary to support the actual construction costs incurred, Dth billing by customer class, and other numbers and values that enter into the computation of the PSIM charge.



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NATURAL GAS SERVICE
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Black Hills Energy
A Division of Cheyenne Light, Fuel and Power Company

Wyo. P.S.C. Tariff No. 2
Original Sheet No. R3

**RULES AND REGULATIONS
NATURAL GAS SERVICE**

RESERVED FOR FUTURE USE



RULES AND REGULATIONS
NATURAL GAS SERVICE
GENERAL STATEMENT

The following Rules and Regulations, filed with the Public Service Commission of Wyoming as part of the natural gas Tariff of the Company, set forth the terms and conditions under which natural gas service is supplied and govern all classes of service in all territory served by the Company. They are subject to termination, change, or modification, in whole or in part, at any time as provided by the Rules of said Commission.

Service furnished by the Company is also subject to the Rules of the Public Service Commission of Wyoming. This Tariff shall be available for inspection on the Company website or may be obtained by contacting the Company's toll-free customer service number.

Any waiver at any time of the Company's rights or privileges under these Rules and Regulations will not be deemed a waiver as to any breach or other matter subsequently occurring.



RULES AND REGULATIONS
NATURAL GAS SERVICE
GENERAL RULES

3.1.1 DEFINITION OF TERMS

Allocation(s). Unless otherwise agreed, allocations at the Company's Receipt Point(s) will be based on the lower of: (i) Nominations to the Company or (ii) confirmed Nominations. The difference between Allocations, less FL&U Reimbursement at the Receipt Point(s), and daily measurement determinations at the Delivery Point(s) will be considered the Imbalance.

BTU. "Btu" or "BTU" shall mean one (1) British Thermal Unit (International Table), which is the amount of energy equivalent to 1055.056 Joules, as specified in Gas Processors Association Publication 2145-93 ("Table of Physical Constants of Paraffin Hydrocarbons and Other Components of Natural Gas") or subsequent amendments as may be adopted by the Company. One Btu is the amount of heat required to raise the temperature of one pound of water one degree Fahrenheit at approximately sixty (60) degrees Fahrenheit. Reporting basis for Btu is standardized as 14.73 dry psia and 60 degrees Fahrenheit (101.325 kPa and 15 degrees C. and dry).

Business Day. Business Day shall mean Monday, Tuesday, Wednesday, Thursday, or Friday, excluding Company recognized holidays.

Capacity Interruption. The discontinuance of transportation service due to the Company's inability to provide such service due to capacity constraints on the Company's System. The phrase "Capacity Interruption" shall have the same meaning as "Interruption."

Company. Black Hills Energy

Customer. Any person or entity receiving gas at individual meters or delivering gas to delivery points. A Customer may also be a Shipper.

Day. A period of 24 consecutive hours, beginning at 8:00 a.m. Mountain Time ("MT"), or such other consecutive 24-hour period designated by the Company.

Dekatherm (Dth). The energy equivalent to 10 therms, or 1,000,000 Btus. One (1) therm is the equivalent to 100,000 Btus.

Delivery Point(s). The point(s) where the Company delivers gas as specified in an Exhibit to the Transportation Service Agreement.

Firm Capacity. The aggregate total of the Maximum Daily Quantity for all Receipt or Delivery Point(s) under the Shipper's Transportation Service Agreement, expressed in Dekatherms.

FL&U Reimbursement. A quantity of gas, equal to a percentage of the quantity of the Shipper's Gas delivered to the Company, to compensate the Company for fuel, loss and unaccounted for gas volumes required for transportation service hereunder.



RULES AND REGULATIONS
NATURAL GAS SERVICE
GENERAL RULES - CONTINUED

3.1.1 DEFINITION OF TERMS - CONTINUED

Imbalance. The difference between the quantity of the Shipper's Gas Allocated at the Receipt Point(s) less FL&U Reimbursement and the quantity of gas delivered at the Delivery Point(s) for the Shipper's account as determined by the Company.

Imbalance Resolution Gas. The quantity of gas necessary to correct previous months' cumulative Imbalance between the Company and the Shipper.

Interconnecting Party(s). As applicable and stated in this Tariff, (i) the operator of the facilities immediately upstream of the point of interconnection between the facilities of the Company and the pipeline, residue plant, or wellhead Receipt Point(s), and/or (ii) the operator of the facilities immediately downstream of the points of interconnection between the facilities of the Company and the pipeline.

Maximum Daily Quantity (MDQ). The maximum quantity of natural gas as specified in Exhibit B of the Shipper's Transportation Service Agreement that the Company will be required on a given Day to deliver to the applicable Delivery Point(s). For new Delivery Point(s), the Maximum Daily Quantity will be determined based upon projected delivery volumes provided by the Shipper, subject to approval by the Company.

MMBTU. One million Btu. For purposes of this Tariff and associated Transportation Service Agreements, MMBtu and Dth, are synonymous.

Month. The period beginning at 8:00 a.m. MT on any day of a calendar month until 8:00 a.m. MT on the same day of the succeeding calendar month, or such other consecutive monthly period designated by the Company.

Mountain Time (MT). Mountain Standard Time (MST) except for that period when daylight saving is in effect. During this period MT shall mean Mountain Daylight Saving Time (MDT).

Natural Gas. Any mixture of hydrocarbons or of hydrocarbons and non-combustible gases, in a gaseous state, consisting essentially of methane.

Nominations. The Quantity of gas supplies requested to be transported on the Company's System for a specific day. Nominations are to be adjusted to include FL&U Reimbursement and shall be made on a Dekatherm basis.

Primary Receipt Point(s). Receipt Point(s) specified in the Firm Gas Transportation Service Agreement as Primary Receipt Point(s) where the Shipper is entitled to firm service on the Company's System. Primary Receipt Point(s) will be identified on Exhibit A to the Transportation Service Agreement.

PSC or Commission. The Wyoming Public Service Commission or any successor agency of the State of Wyoming having jurisdiction over the rates and operations of the Company.

PSIA. Pressure in pounds per square inch absolute.

PSIG. Pressure in pounds per square inch gauge.



RULES AND REGULATIONS
NATURAL GAS SERVICE
GENERAL RULES - CONTINUED

3.1.1 DEFINITION OF TERMS - CONTINUED

Receipt Point(s). The point of interconnection between the facilities of the Company and the Interconnecting Party(s) wherein the Company receives gas for the account of the Shipper for transportation on the Company's System.

Receiving Party(s). The party or parties that may receive gas from the Company at the Delivery Point(s) as specified on Exhibit B to the Shipper's Transportation Service Agreement.

Restricted Delivery Day. A Day when, because of Supply Curtailment or Capacity Interruption, deliveries of transported gas supplies to the Shipper are limited to the Nomination, or the quantity Allocated by the Interconnecting Party(s), whichever is lower for the particular Day.

Secondary Receipt Point(s). Receipt Point(s) which are not specified in the Transportation Service Agreement as Primary Receipt Point(s). Subject to prior approval of the Company, the Shipper may request, pending approval by the Company, to shift firm capacity from Primary Receipt Point(s) to Secondary Receipt Point(s) for the period of time designated by the Company. The Shipper forfeits the equal amount of capacity at the Primary Receipt Point that was shifted from Primary Receipt Point to Secondary Receipt Point(s) for the period of time designated by the Company.

Shipper. Any party who has executed a Transportation Service Agreement with the Company. The Shipper may or may not be the Receiving Party.

Supply Curtailment. The discontinuance of transportation as a result of the inability of the Company to provide such service due to non-receipt of the Shipper's Gas. The phrase "Supply Curtailment" shall have the same meaning as "Curtailment."

System. The pipelines, compressor stations, regulator stations, meters, gas processing facilities and other related facilities owned by the Company and utilized in providing transportation and sales service.

Transportation Service. Service provided pursuant to the Firm Transportation Service Rate Schedules SFT and LFT.

Transportation Service Request. A written request for transportation service submitted by any prospective the Shipper as described in these Gas Transportation Rules and Regulations, the form of which to be provided by the Company.

Year. A period of 365 consecutive days or 366 consecutive days if such period includes February 29, beginning at 8:00 a.m. MT on any given day, or such other consecutive 365 days or consecutive 366 days if such period includes February 29 designated by the Company.



RULES AND REGULATIONS
NATURAL GAS SERVICE
GENERAL RULES - CONTINUED

3.1.2 APPLICATION FOR SERVICE

Application for Sales Service

An application for natural gas sales service may be made at any office of the Company. The use of natural gas sales service constitutes an agreement under which the user receives natural gas sales service and agrees to pay the Company therefor in accordance with the applicable Rate Schedules, Rules and Regulations.

Application for Transportation Service

Requests for Firm Transportation Service hereunder, including requests for changes to accepted requests or existing Transportation Service Agreements, shall be made by completing a Transportation Service Request, in the form described in Section 3.3.3 of this Tariff and provided by the Company, and delivering such form to the Company's Commercial Development Department. The Company will consider all completed Transportation Service Requests in the order received. The Company will keep a log of all Transportation Service Requests received at its offices, by the date and time the Company receives a complete request for service under this Tariff.

Refusal to Serve New Customers or Expand Existing Service

The Company may refuse to provide, expand or materially change service to a requesting Customer when:

- the Company does not have adequate facilities to render the service requested;
- the requested service appears to be unsafe or likely to adversely affect service to another Customer;
- or the requesting Customer is Indebted to the Company for damages to Company property or Company related service charges previously rendered and satisfactory payment arrangements have not been made with the Company.

If indebtedness for service rendered at a former location is in dispute, the requesting Customer shall be provided service at the new location upon complying with the Company's deposit requirements and paying the amount in dispute. Upon settlement of the disputed amount, any balance due to the Customer shall be refunded with accrued interest at the Commission's Authorized Interest Rate as defined in the Commission's Rules.

The Company shall not refuse service to a new Customer because of debts of a previous Customer at the same location.

The Company may refuse service due to unpaid line extension charges for facilities serving the location.



RULES AND REGULATIONS
NATURAL GAS SERVICE
GENERAL RULES - CONTINUED

3.1.3 MEASUREMENT OF SERVICE

Subject to any required cost reimbursement, the Company will install, own, and maintain suitable metering necessary for measuring the natural gas supplied or transported. Where used, orifice meters shall employ flange taps and shall be installed and operated in accordance with Gas Measurement Committee Report No. 3 of the American Gas Association ("AGA"), as revised, amended or superseded from time to time ("Committee Report No. 3").

Each class of natural gas service will be metered and billed separately. All service to a Customer under one applicable Rate Schedule will be measured by a single meter installation, and meter readings of one meter installation shall not be combined with meter readings of another meter installation for billing purposes, unless otherwise approved by the Company.

Service to the same person at different premises will be considered as service to separate Customers.

The Customer shall consult the Company regarding the necessity of changing the location of gas service before building any addition or structure on top of the service line. The Customer shall not enclose exposed portions of gas service facilities with any unventilated enclosure. The Customer shall notify the Company of any leak or defect observed in the Company's facilities.

The Customer may add an additional meter at the Customer's expense.

3.1.4 PRIORITY OF SERVICE

The Capacity Interruption of gas deliveries in whole or in part under this Tariff shall not be the basis for claims for damages sustained by the Shipper.



RULES AND REGULATIONS
NATURAL GAS SERVICE
GENERAL RULES – CONTINUED

3.1.4 PRIORITY OF SERVICE - CONTINUED

Specific interruption of Sales and Transportation Service shall be made in the following order:

- a. Authorized Imbalance Resolution Gas under Rate Schedule SFT and LFT Firm Transportation Service Agreements, prorated based on confirmed Nominations for each Shipper;
- b. Authorized overrun deliveries in excess of the Maximum Daily Quantity under Rate Schedule SFT and LFT Firm Transportation Service Agreements, prorated based on confirmed Nominations for each Shipper;
- c. The portion of Rate Schedule SFT and LFT Firm Transportation at secondary points, prorated based on confirmed Nominations for each Shipper;
- d. The portion of Rate Schedule SFT Firm Transportation Service at primary points, prorated based on confirmed Nominations for each Shipper.
- e. Small General Service, Large General Service and the portion of Rate Schedule LFT Firm Transportation Service at primary points, prorated based on confirmed Nominations for each Shipper for Rate Schedule LFT Firm Transportation Service and the Day's forecasted delivered volumes for Small General Service and Large General Service.

Nothing in this provision shall limit the Company's right to interrupt service as necessary in order to ensure system integrity or to reflect the operational characteristics of the Company's System. The Company, however, will make all reasonable efforts to avoid interruptions of Service and, when interruptions occur, shall re-establish service in a timely and safe manner. The Company will notify the Commission of all planned major service interruptions at least 48 hours in advance and shall make reasonable efforts to provide the affected Customers two business days' notice. Planned interruptions, as referenced in this paragraph, are non-emergency service interruptions affecting at least twenty-five (25) meters or customers, whichever is greater.

3.1.5 SHORTAGE OF NATURAL GAS SUPPLY

In case of emergency causing a shortage of supply, the Company shall have the right to call a Restricted Delivery Day and, in accordance with Priority of Service to the extent the Company is reasonably able to do so, grant preference to that service which, in the Company's opinion, is most essential to the public welfare.



RULES AND REGULATIONS
NATURAL GAS SERVICE
GENERAL RULES – CONTINUED

3.1.6 CHARGES FOR RENDERING SERVICE

CUSTOMER SERVICE CHARGE

The charge shall be billed to all person(s) or entity(s) receiving gas at individual meters or delivering gas to delivery points (“Customers”) applying for or transferring service under the applicable Rate Schedule in the first regular billing. A Customer Service Charge will be assessed per connection or transfer of gas services to be provided by the Company as described on Sheet No. 6.

RECONNECTION

For re-establishment of service as the result of discontinuation of service for non-payment of the Customer’s utility account or for other violation of the Rules and Regulations, the charge shall be paid in advance of the Customer receiving gas from the Company. A Reconnection Charge will be assessed for reconnection of service, as described on the Schedule of Charges for Rendering Service.

RETURNED CHECK CHARGE

To compensate the Company for the cost of processing returned checks, the Company will make a charge to any Customer whose check for payment to the Company is returned to the Company by the Customer’s Financial Institution as not payable. The amount of these charges is stated on the Tariff sheet entitled Schedule of Charges for Rendering Service.

GRATUITOUS SERVICES

The Company provides certain gratuitous services which will not be charged to the Customer. Such gratuitous services are limited to the following:

- a. All emergency calls where permanent materials and facility replacement is not performed.
- b. Customer advice where work is referred to others and no work is performed, and no estimates are made.
- c. Bill investigations.
- d. Customer service complaint investigations.
- e. Changing the Customer’s equipment due to changes in service characteristics.
- f. Routine maintenance of the Company facilities.
- g. Relight pilots and perform other services resulting from outages on the Company’s system.



Black Hills Energy
A Division of Cheyenne Light, Fuel and Power Company

Wyo. P.S.C. Tariff No. 2
Original Sheet No. R12

**RULES AND REGULATIONS
NATURAL GAS SERVICE**

RESERVED FOR FUTURE USE



RULES AND REGULATIONS
NATURAL GAS
SALES SERVICE

3.2 These Rules and Regulations apply to Sales Service in all territory served by the Company.

3.2.1 TEMPORARY OR INTERMITTENT SERVICE

If service to the Customer is to be temporary or intermittent, service will be supplied in accordance with the Rate Schedule applicable thereto, and service connection and any main construction involved will be as set forth in the Company's Natural Gas Service Connection and Main Extension Policy.

3.2.2 SALES SERVICE DEPOSITS AND REFUNDS

The Company may require a deposit to guarantee payment. The deposit shall not be considered advance payment of bills, but shall be held as security for payment of service rendered. The Company may refuse service to an Applicant or discontinue service to a Customer for failure to comply with this Tariff section. The Company policies governing Customer deposits will be applied uniformly.

The Company may require a deposit if:

- (i) A prior service account with the Company remains unpaid and undisputed at the time of application for service;
- (ii) Service from the Company has been terminated for:
 - (A) nonpayment of any undisputed delinquent bill;
 - (B) failure to reimburse the Company for damages due to the Customer's negligent or intentional acts; or
 - (C) acquisition, diversion or use of service without the authorization of or knowledge by the Company.
- (iii) Information provided upon application for service is materially false or a misrepresentation, Subterfuge includes, but is not limited to, the use of a fictitious name by Applicant for service to avoid paying prior indebtedness to the Company;
- (iv) The application is for initial service with the Company, or the Applicant did not have service with the Company for a period of at least 12 consecutive months during the past four years;
- (v) The Applicant or non-residential Customer is unable to pass an objective credit screen described as follows:
 - i. An Applicant who previously was a Customer of the Company shall be considered as having a satisfactory credit record where said previous service was provided for a continuous period of at least ten (10) months within the last four (4) years; the Applicant's service was not discontinued for delinquent payment during the last twelve (12) months of said service; and Applicant received no more than two (2) written Notices of Discontinuance during the last twelve (12) months of said service.
 - ii. An Applicant who was not a Customer of the Company in accordance with the above shall be considered as having a satisfactory credit record if authorization is provided to the Company to obtain credit information through a national credit bureau of the Applicant's credit record, and said information reveals a satisfactory rating.
- (vi) The request is for service at an address where a former Customer with an undisputed delinquent bill for service still resides or conducts business;



RULES AND REGULATIONS
NATURAL GAS
SALES SERVICE

3.2.2 SALES SERVICE DEPOSITS AND REFUNDS - CONTINUED

- (vii) The Applicant for service, or the Customer, has been brought within the jurisdiction of the bankruptcy court or has had a receiver appointed in a state court proceeding, within the five-year period immediately preceding the request for service; or
- (viii) The Company has determined that it has a significant financial risk in continuing to provide service to a specific load or non-residential Customer. The Company and the Customer may attempt to reach a deposit agreement. If the Company and the Customer are unable to reach an agreement, the Company shall file a confidential petition requesting expedited review and Commission approval prior to collecting the Customer deposit. The petition shall contain the basis for the Company's determination, the amount of deposit sought and sufficient information for the Commission to contact the Customer.

The Company shall not require a deposit as a condition of new or continued utility service based upon any criterion not specifically authorized by the Commission's Rules.

Unless otherwise ordered by the Commission, the required deposit shall not exceed the total amount of the Customer's estimated bill for three months of highest use based on the premises' monthly bills during the immediate previous 12-month period. In the absence of a billing history, the class average will be used.

The Company shall provide the Customer a non-assignable receipt or other record of deposit, showing the date and amount received.

The Company shall retain records showing:

- (i) The name and address of each Customer making the deposit;
- (ii) The date and amount of the deposit; and
- (iii) Each accounting transaction concerning the deposit.

If a deposit is required, the Company may accept a written guarantee from an acceptable Guarantor, in lieu of a deposit, to pay a Customer's bill. An acceptable Guarantor includes, but is not limited to, an existing Customer of the Company with a satisfactory credit history with the Company. After the Company has verified the Customer's identity, the Customer shall agree to permit the Company to provide the Customer's account information to the Guarantor upon the Customer's default.

The Company may accept a surety bond or irrevocable letter of credit issued from a financial institution in lieu of a deposit. The bond or letter of credit should be issued for an amount equal to the required deposit and be issued for a one (1) year period. In the event a Customer has not maintained a satisfactory payment record as described in the deposit refund provisions above, a surety bond or letter of irrevocable credit will be required beyond one (1) year until such time as a satisfactory credit record is maintained.



RULES AND REGULATIONS
NATURAL GAS
SALES SERVICE

3.2.2 SALES SERVICE DEPOSITS AND REFUNDS - CONTINUED

Simple interest on deposits, at the Commission Authorized Interest Rate as defined in the Commission Rules, shall apply only to deposits held for at least six months, but shall accrue from the initial date of deposit through the date the deposit is returned.

Deposits and any unpaid interest earned on deposits shall be applied as a credit to the Customer's bill, unless requested by the Customer to be refunded by check, when:

- (1) The accrued interest equals or exceeds \$10.00. The Company shall apply the credit at least annually;
- (2) A residential Customer has received 12 consecutive months of service, with no cause to disconnect and bills have been paid when due;
- (3) A commercial or industrial Customer has received 12 consecutive months of service, with no cause to disconnect, bills have been paid when due and passes the Company's objective credit screen;
- (4) Service is discontinued; or
- (5) At any other time at the option of the Company.

The Company shall not require the Customer to provide the original receipt in order for the deposit to be returned. Any credit balance on the account after the deposit is applied shall be refunded to the Customer. If the Company is unable to make the refund due to lack of knowledge of the Customer's location, additional interest will not accrue after the service discontinuation date. The Company shall manage such deposits as unclaimed property as required by Wyoming law.

If the Customer requests that service be temporarily disconnected and the Company retains a deposit, the meter will be shown as active in the billing system, and the Customer will be billed the minimum charges. Service will be discontinued if the temporary disconnection lapses for a period of time of more than one year.



RULES AND REGULATIONS
NATURAL GAS SALES SERVICE - CONTINUED

3.2.3 MONTHLY BILLS FOR SALES SERVICE

Bills for gas Sales Service will be rendered on or before the fifth (5th) Business Day of each Month. For determination of the volumes to be billed each Month, the Company will take regular readings of the meters at the Customer's premises. Such readings will be taken as nearly as may be practicable every thirty (30) days. If the Company is unable to read a meter after reasonable effort, the Customer will be billed on an estimated usage based on the best available information.

If an initial or final bill is for a period less than the "monthly" billing period described above, billing will be prorated based on a 30-day billing period.

All bills for service, including any excise tax, sales tax, franchise fee, or the like imposed by governmental authority, are due and payable at an office of the Company, or to an authorized agent of the Company, not later than the due date shown on the bill. The bill will be considered as received by the Customer when mailed to, or left at, the location where service is used or at some other location that has been mutually agreed upon. Final bills, weekly bills, special bills, and bills for connection and reconnection are due on presentation. If the Customer fails to receive a bill, the Company, upon request, will issue a duplicate. However, failure to receive a bill in no way exempts the Customer from payment for service rendered.

3.2.4 DISCONTINUANCE OF SALES SERVICE AT CUSTOMER'S REQUEST

A Customer or legally authorized persons, wishing to discontinue Sales Service pursuant to Rate Schedule SG or LG should give at least three (3) business days' notice to the Company to that effect, unless otherwise specified in the applicable Rate Schedule or applicable contract, in order to allow time for final meter reading and disconnection of service. Where such notice is not received by the Company, the Customer will be liable for service until final reading of the meter. Notice to discontinue service will not relieve a Customer from any minimum or guaranteed payment under any contract or applicable Rate Schedule.



RULES AND REGULATIONS
NATURAL GAS SALES SERVICE - CONTINUED

3.2.5 DISCONTINUANCE OF SALES SERVICE BY COMPANY

Unless otherwise ordered by the Commission, the Company may discontinue service to any Customer upon not less than seven (7) calendar days' written notice to residential Customers, or not less than three (3) calendar days' notice to non-residential Customers, if:

- a. The Customer fails to pay, or make arrangements for payment of, bills for service rendered as provided in these rules;
- b. The Customer fails to comply with the Company's Rules and Regulations after due notice of such failure is given by the Company and reasonable time is allowed for compliance, or;
- c. The Customer's use of service is detrimental to the natural gas service being furnished by the Company to other Customers in the immediate vicinity or supplied from the same distribution system.

Notice shall be effective when a copy is provided to the Customer in person, by telephone after Customer verification, or received by U.S. mail at the Customer's last known mailing address. Additional notice may be provided electronically. The notice shall contain or inform:

- 1) The name of the person whose account is delinquent and the service address to be discontinued;
- 2) The rule or regulation that was violated or the amount of the delinquent bill;
- 3) The effective date of the notice and the date on or after which service is to be discontinued;
- 4) The Company's specific address and telephone number for information regarding how to avoid service discontinuation;
- 5) The names of agencies or organizations that have notified the Company that they render assistance to eligible persons who are unable to pay their utility bills;
- 6) A statement advising the Customer how to contact the Commission if discontinuation is disputed;
- 7) For residential Customers, the notice shall inform the Customer that, if prior to the initial date of the discontinuation, the Customer provides the Company with written verification from a health care provider responsible for the care of a Customer or his/her co-habitants stating that their health or safety would be seriously endangered if service were discontinued, the Company shall extend the date for discontinuation set forth in the notice by 15 days (22 days total) to allow for bill payment.

The Company shall attempt to contact the Customer either in person or by telephone after Customer verification before discontinuing service during the cold weather period of November 1 through April 30.



RULES AND REGULATIONS
NATURAL GAS SALES SERVICE - CONTINUED

3.2.5 DISCONTINUANCE OF SALES SERVICE BY COMPANY - CONTINUED

The Company shall also provide notice of discontinuation or account delinquency to a third party if a Customer or person acting for the Customer has requested that the Company do so after Customer verification. The Company shall advise Customers, particularly any incapacitated Customer, that the right to request third-party notification does not create third-party liability for payment.

If the Customer defaults, the Company shall provide the discontinuation notice to any Guarantor and the Customer simultaneously. The Guarantor's service shall not be subject to discontinuation as a result of the Customer's default. The Company shall remove a Guarantor when:

- 1) The Customer has received 12 consecutive months of service with no cause for discontinuation, bills have been paid when due, and the Customer passes an objective credit screen;
- 2) The Guarantor has paid all amounts due for service through the date the Company receives the request to terminate the Guarantor agreement; or
- 3) An additional agreement with the Company is in place.

The Company shall assist elderly and handicapped persons who are unable to pay their utility bills with determining available government assistance.

The Company may discontinue service between 8:00 a.m. and 4:00 p.m. Monday through Thursday, without further notice when:

- 1) The notification period has elapsed, and the delinquent account has not been paid;
- 2) Acceptable payment arrangements have not been made with the Company; or
- 3) The Company is not satisfied the Customer has ceased violating the Company's Rules and Regulations.

The Company shall not discontinue service for bill nonpayment:

- 1) On a legal holiday or the day before;
- 2) During the period from December 24 through January 2, inclusive;
- 3) On any day the Company cannot reconnect service;
- 4) If the Customer enters into an agreement with the Company for payment of the delinquent billing over a reasonable time and the Customer complies with the payment arrangements;
- 5) If the Customer owes the Company money due to a meter or other billing error and the Customer complies with payment arrangements;



RULES AND REGULATIONS
NATURAL GAS SALES SERVICE - CONTINUED

3.2.5 DISCONTINUANCE OF SALES SERVICE BY COMPANY - CONTINUED

- 6) At a previous address for a different class of service;
- 7) Of non-utility service or merchandise;
- 8) If a Customer is paying bills on time, even though a former Customer with an undisputed delinquent bill for service resides or conducts business at the same address;
- 9) If a Company bill is in dispute and the Customer duly pays the Company bill or bill portion that is not in dispute; or
- 10) If the temperature is forecasted by the National Weather Service or other reputable source to be below 32° F in the impending 48 hours, or if conditions are otherwise especially dangerous to health, and the Customer is:
 - a. Unable to pay for service in accordance with the Company's billing requirements and is actively seeking government assistance or has exhausted such assistance; or
 - b. Able to pay for service in installments only.

Discontinuance of service for non-payment shall also not occur if the Customer makes full payment of outstanding bill. Such payment is to be made by cash or bona fide check to a Company representative or field employee. If the Customer has twice previously tendered payment with check which was returned to the Company by the banking institution unpaid, and the second such check was returned within the most recent twelve month period, payment by cash or certified check is required to avoid discontinuance of service.

The Company may discontinue service without advance notice for reasons of safety, health, cooperation with civil authorities, fraudulent use, tampering with or destroying Company service facilities or the Customer's failure to comply with Company curtailment procedures during supply shortages, and if service is found to have been restored by someone other than the Company and the original cause for the discontinuance has not been cured. The Company does not assume responsibility for the consequences of discontinuance of service as a result of the conditions listed above. The Company does not assume responsibility for good faith cooperation with civil authorities.



RULES AND REGULATIONS
NATURAL GAS SALES SERVICE - CONTINUED

3.2.6 RESTORATION OF SERVICE

When service has been discontinued for violation of the Company's Rules and Regulations, nonpayment of bills or fraudulent use of service; and the Customer desires the service to be reconnected, the Company may require the Customer to pay in full all bills due for service rendered up to the date service was discontinued, plus any reconnection charges as stated on the Tariff sheet entitled Schedule of Charges for Rendering Service. The Company shall not charge to reconnect service when discontinuation was improper.

Where service has been discontinued as set forth in these rules, the Company shall restore such service as soon as practicable, after the Customer eliminated the cause for the discontinuance, unless extenuating circumstances prevent restoration. Extenuating circumstances includes, but is not limited to, the requirement that the Customer or a responsible individual designated by the Customer be at the premises at the time of restoration.

3.2.7 REALLOCATION/RESALE OF NATURAL GAS

Natural gas Sales Service supplied by the Company is for the exclusive use of the Customer. The Company reserves the right to refuse to furnish natural gas Sales Service to any Customer where the purchase of such Sales Service is for the purpose of resale to the Customer or to others. In the event natural gas is resold in conflict herewith, the Company shall have the right, at its option, either to discontinue Sales Service to the Customer or to furnish Sales Service directly to the sub-Customer.



RULES AND REGULATIONS
NATURAL GAS SALES SERVICE - CONTINUED

3.2.8 DIVERSION OF NATURAL GAS

The existence of natural gas consuming devices installed ahead of the meter or any tampering or interfering with pipes, devices, or equipment connected to the Company's distribution system or the damage to, alteration, or obstruction of any meter (including the breaking of meter seals) which will permit or make possible the use of natural gas without its proper registration on the Company's meter shall constitute evidence of diversion of natural gas by the Customer in whose name service is being rendered, or by the person benefiting from the use of such diverted natural gas. In the event that a Company check meter registers more natural gas in the same interval of time than does the meter installed at the Customer's premises after such meters shall have been tested and found to be registering within the limits of accuracy prescribed by the Company's meter testing standards, such fact shall also constitute evidence of diversion of natural gas.

In such instances, the Company will, in any reasonable manner, compute the amount of diverted natural gas. Such computation will be made for the period beginning with the date on which the Customer began using natural gas at the location where the diversion occurred, unless evidence proves the diversion commenced at a later date, and ending with the date on which said diversion ceased.

Bills for natural gas diverted, based upon the aforesaid computation, under the applicable rate effective during the period of diversion, plus the cost of investigating and confirming such diversion and disconnecting service, shall be due and payable upon presentation.

If service has been discontinued for diversion of natural gas, the Company will not render service to the Customer, or to any other person for the Customer's use, at the same or any other location until:

1. The Customer has paid all bills as set forth preceding, and
2. The Customer has paid to the Company the installation cost of, or has had installed, at the Customer's expense, such entrance and service equipment as is necessary to prevent further diversion of natural gas.

The foregoing rules pertaining to Diversion of Natural Gas are not in any way intended to affect or modify any action or prosecution under the Criminal Statutes of the State of Wyoming.

3.2.9 HEATING VALUE

The Company shall maintain a minimum monthly average total heating value of the natural gas sold by the Company when tested under standard conditions as set forth below, of not less than 968 Btu per cubic foot, and not more than 1200 Btu per cubic foot.

A standard cubic foot of gas is the amount of gas that occupies one cubic foot, dry, at 60 degrees Fahrenheit at 14.73 PSIA.



RULES AND REGULATIONS NATURAL GAS TRANSPORTATION SERVICE

3.3.1 GENERAL STATEMENT

The following Natural Gas Transportation Rules and Regulations, filed with the Public Service Commission of Wyoming as part of the Company's Tariff, set forth the terms and conditions under which Transportation Service is provided and govern all classes of such service in all territory served by the Company. They are subject to termination, change, or modification, in whole or in part, at any time as provided by the Rules of the Public Service Commission of Wyoming. Transportation Service furnished by the Company is also subject to the General Rules and Other Provisions Applicable to All Natural Gas Services sections and the Service Connection and Main Extension Policy in the Company's Tariff Rules and Regulations. In the event a conflict exists between the Company's Natural Gas Transportation Rules and Regulations and the General Rules and Other Provisions Applicable to All Natural Gas Services and/or the Service Connection and Main Extension Policy, the Natural Gas Transportation Rules and Regulations shall control.

These Natural Gas Transportation Rules and Regulations are applicable to all existing and the new Shippers and Receiving Party(s) receiving Transportation Service.

Any waiver at any time of the Company's rights or privileges under these Natural Gas Transportation Rules and Regulations or under any individual Transportation Service Agreement entered into pursuant to this Tariff shall not be deemed a waiver as to any breach or other matter subsequently occurring.

3.3.2 SHIPPER AND RECEIVING PARTY(S) ACKNOWLEDGMENTS

The Shipper acknowledges that all service provided to the Shipper hereunder is for the benefit of the Shipper, and in the event that the Shipper fails to make timely payment for any service provided under this schedule, or is in violation of any rule or regulation of the Company, all service provided to the Shipper and Receiving Party shall be subject to termination in accordance with the Company's Tariff Rules and Regulations.



RULES AND REGULATIONS
NATURAL GAS TRANSPORTATION SERVICE - CONTINUED

3.3.3 CONDITIONS OF NATURAL GAS TRANSPORTATION SERVICE

Pressure at Delivery Point(s). Unless otherwise agreed upon, the Company shall cause the gas to be delivered at each Delivery Point at such pressures as may prevail from time to time in the Company's System. Exhibit B to the Transportation Service Agreement sets forth the maximum pressure.

Pressure at Receipt Point(s). The Shipper shall deliver or cause gas to be delivered at each Receipt Point at a pressure sufficient to allow the gas to enter the Company's System. The Shipper shall not, except by mutual written agreement, be required or permitted to deliver the gas at any Receipt Point at a pressure in excess of the maximum allowable operating pressure of the Company's System as established by the Company. Exhibit A to the Transportation Service Agreement sets for the maximum allowable operating pressure of the Company's System.

Prior to commencement of service hereunder, the Shipper shall have completed a Transportation Service Request form and shall have executed a Transportation Service Agreement.

Requests for Transportation Service.

- a. The Shipper shall submit to the Company a fully completed Transportation Service Request. The request will either be approved or denied by the Company within thirty (30) days of the receipt thereof. If the Company provides notice that additional facilities are required as a condition for approval, the Company will specifically set forth the estimated cost of said facilities and any additional charges. The written notice of approval shall also set forth the cost, if applicable, of conversion from sales service. If denied, written notification will be provided to the Shipper detailing the reasons for denial, as well as an explanation of what changes would be necessary to make the Transportation Service Request acceptable.
- b. All Transportation Service Requests shall be submitted in writing to the Company in the form prescribed in these Natural Gas Transportation Rules and Regulations or a facsimile thereof.
- c. The Company shall endeavor to provide service within the time specified in the written request, but shall not be obligated to do so. Unless otherwise agreed to by the Company, the Company will not accept requests for service commencing later than one hundred eighty (180) days after the information specified in the Transportation Service Request form is provided to the Company. Requests shall be considered received only if the information specified in the Transportation Service Request form is provided.



RULES AND REGULATIONS
NATURAL GAS TRANSPORTATION SERVICE – CONTINUED

3.3.3 CONDITIONS OF NATURAL GAS TRANSPORTATION SERVICE - CONTINUED

The Transportation Service Request form shall contain the following information:

- a. Gas Quantities. The Maximum Daily Quantity applicable to each receipt and delivery point, and estimated total quantities to be received and transported over the delivery period shall be stated individually in Dth's for each point of receipt and each point of delivery. Requests for transportation with a total MDQ of less than fifty (50) Dth per day will not be accepted by the Company.
- b. Receipt Point(s).
 - (1) The Primary, and Secondary if applicable, Point(s) of entry into the Company's system; and
 - (2) The name of the pipeline, gatherer or other entity delivering the gas to the Company's system.
- c. Delivery Point(s).
 - (1) The Primary, and Secondary if applicable, Point(s) of delivery by the Company; and
 - (2) The name of the pipeline, local distribution company or other entity receiving the gas downstream of the Company.
- d. Term of Service. Date service is requested to commence.
- e. Transportation Service Requested. The Shipper shall specify whether the service requested is Small Firm Transportation Service (SFT) or Large Firm Transportation Service (LFT).
- f. Performance. A signed statement from the Shipper certifying that the Shipper has title to the gas, or has a current contractual right to acquire title, to be delivered to the Company for transportation and has entered into or will enter into those arrangements necessary to assure all upstream and downstream transportation will be in place prior to the commencement of transportation service.



RULES AND REGULATIONS
NATURAL GAS TRANSPORTATION SERVICE – CONTINUED

3.3.3 CONDITIONS OF NATURAL GAS TRANSPORTATION SERVICE - CONTINUED

The Transportation Service Request form shall contain the following information: - Continued

- g. Creditworthiness. A Shipper which has not demonstrated adequate creditworthiness through past transactions with the Company or whose financial condition has changed since its last demonstration of creditworthiness shall, prior to the commencement of transportation or within seven days of a request from the Company to demonstrate creditworthiness, provide information sufficient to demonstrate its creditworthiness to the Company.
- (1) Evidence of creditworthiness may include the following, as applicable to the Shipper:
 - (i) a copy of the Shipper's most recent audited financial statement;
 - (ii) a copy of the Shipper's most recent annual report and 10-K form;
 - (iii) a list of affiliated companies, including the Shipper's parent company, subsidiary companies, and other affiliated companies, if any;
 - (iv) bank or other credit references;
 - (v) additional credit information specifically requested by the Company or submitted by the Shipper to establish the minimal creditworthiness of the Shipper. The Company will take all reasonable and necessary steps to protect the confidentiality of financial information submitted by the Shipper.
 - (2) If the Shipper chooses not to supply the information in subsection (1), above, or after submitting such information is determined by the Company not to be creditworthy, the Shipper may receive or continue to receive service under this Tariff if the Shipper supplies within seven (7) days of a request by the Company and keeps in place a letter of credit or similar good and sufficient security against which the Company may draw if the Shipper fails to remit when due amounts owed for transportation service actually rendered. Such letter of credit or other similar assurance shall be sufficient to reimburse the Company for three (3) months of transportation service to the Shipper at the Shipper's total Maximum Daily Quantity times the effective applicable maximum rate. Failure on the Shipper's part to provide the security set forth herein will be deemed to be consent on the part of the Shipper for the Company to delete the Shipper's request from the Company's transportation request log or to take appropriate legal steps to cease rendering service as the circumstances warrant or require.



RULES AND REGULATIONS
NATURAL GAS TRANSPORTATION SERVICE - CONTINUED

3.3.3 CONDITIONS OF NATURAL GAS TRANSPORTATION SERVICE - CONTINUED

Gas Transportation Service Agreement (Transportation Service Agreement). Upon the Company approval of a Transportation Service Request, the Company shall tender to the Shipper a Transportation Service Agreement in accordance with this gas transportation Tariff. Any changes to the Transportation Service Agreement shall be accomplished through an amendment executed by both the Shipper and the Company.

Initiation of Service. Within thirty (30) days of the Shipper's receipt of an executable Transportation Service Agreement from the Company, the Shipper shall execute and deliver to the Company such Transportation Service Agreement. The Shipper shall be obligated to make payment for Transportation Service upon the effective date of the Transportation Service Agreement. If the Company has not received an executed Transportation Service Agreement within the required time or the Shipper has not begun paying for Transportation Service within the required time, the Company shall have the right to terminate the Transportation Service Agreement.

New or Additional Facilities. The Shipper agrees to pay the Company for any new or additional facilities which may be required to accomplish transportation service hereunder, unless otherwise agreed upon between the Company and the Shipper. If such new or additional facilities are required at any time during the term of this Transportation Service Agreement, the Company shall inform the Shipper of the need for such facilities, the installation cost and any related monthly specific facility charges or other miscellaneous charges associated with said facilities. Such charges will be specified on an Exhibit to the Transportation Service Agreement. The Shipper shall have sixty (60) days from the date of said notification, or as otherwise agreed upon between the Company and the Shipper, in which to approve the expenditure for such facilities. Should the Shipper decide not to approve the installation of said new or additional facilities, the Company shall have the right to terminate the Transportation Service Agreement.

If the Shipper approves the installation of such facilities, the Shipper shall make payment for such additional facilities, including any income tax consequences associated with such payment, in accordance with the Company's Service Connection and Main Extension Policy as contained in the Company's Rules and Regulations, unless otherwise provided in the Transportation Service Agreement. All facilities installed by the Company will be installed in accordance with the Company's Service Connection and Main Extension Policy as contained in the Company's Rules and Regulations and shall continue to be owned, operated, and maintained by the Company.



RULES AND REGULATIONS
NATURAL GAS TRANSPORTATION SERVICE - CONTINUED

3.3.4 SHIPPER'S RESPONSIBILITY

The Shipper is responsible for obtaining the Shipper's Gas, nominating receipts and deliveries, managing Imbalances, and for the transportation of such gas to the Company's Receipt Point(s) from the Interconnecting Party(s). The Shipper's Gas received by the Company for transportation for the Shipper shall meet all quality specifications as specified in the Gas Quality section included in this Tariff.

The Company shall not be required to perform Transportation Service if the Shipper fails to comply with the terms of its Transportation Service Agreement, the applicable Rate Schedule and these Tariff Rules and Regulations.

The Company shall have the right to interrupt service without prior notice to the Shipper in the event actions by the Shipper threaten the integrity of the Company's System or in the event that immediate or irreparable harm will be caused by the Shipper's failure to comply with the terms of the applicable Rate Schedule or Transportation Service Agreement.

With respect to any Shipper that fails to comply with the terms of the applicable Rate Schedule and/or the terms of the Shipper's Transportation Service Agreement, or if the Shipper is or has become insolvent or who, at the Company's request, fails within seven (7) days of a request from the Company to demonstrate creditworthiness in the manner set forth in Section 3.3.3 (g) hereof, the Company shall have in addition to any other rights hereunder or in the law the right, upon giving the Shipper written notice of non-compliance with the terms of the applicable Rate Schedule or terms of the Shipper's Transportation Service Agreement with the Company, to take appropriate legal steps to suspend, terminate, or abandon service if the Shipper fails to remedy said non-compliance within the period specified by the Company, and the Shipper shall be deemed by its failure to remedy non-compliance to have consented to such abandonment and termination of service.

For purposes of this Tariff, the insolvency of a Shipper shall be evidenced by the filing by such the Shipper or a parent entity thereof (hereinafter collectively referred to as "the Shipper") of a voluntary petition in bankruptcy or the entry of a decree or order by a court having jurisdiction in the premises adjudging the Shipper as bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Shipper under the Federal Bankruptcy Act or any other applicable federal or state law, or appointing a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Shipper or of any substantial part of its property, or ordering of the winding-up or liquidation of its affairs, with said order or decree continuing unstayed and in effect for a period of sixty (60) consecutive days.



RULES AND REGULATIONS
NATURAL GAS TRANSPORTATION SERVICE – CONTINUED

3.3.5 NOMINATIONS

- a. Customers are required to nominate daily. All nominations must be provided via the Company's internet-enabled electronic bulletin board, known as Gas Track Online (<http://www.gastrackonline.com>), and must include the volumes to be transported by receipt point(s) and by delivery point(s). All nominations for the Timely and Evening cycles for next day gas flow are due as set forth in the table below. All times listed below are Central Clock Time (CCT).

Timely	Timely Day-Ahead Nomination Deadline	1:00 PM
Evening	Evening Day-Ahead Nomination Deadline	6:00 PM

Customers requesting same day gas flow are subject to the intra-day nomination cycles set forth below, and such requests will be accepted by the Company on a best effort basis. In addition, intra-day natural gas nominations that have priority over other classes of service can displace or “bump” that flowing or scheduled service. All times listed below are CCT.

Intraday 1	ID 1 Nomination Deadline	10:00 AM
	Start of Gas Flow	2:00 PM
Intraday 2	ID 2 Nomination Deadline	2:30 PM
	Start of Gas Flow	6:00 PM
Intraday 3	ID 2 Nomination Deadline	7:00 PM
	Start of Gas Flow	10:00 PM

Except as otherwise provided herein, these quantities shall not exceed the Shipper's Maximum Daily Quantity. These Nominations shall include deliveries to the Company at each Receipt Point and an allocation of Receipt Point quantities requested for delivery to each Delivery Point, less any applicable FL&U Reimbursement quantities. On any Restricted Delivery Day, the Company will deliver those quantities nominated or the amount Allocated by the Interconnecting Party(s), whichever is lower.



RULES AND REGULATIONS
NATURAL GAS TRANSPORTATION SERVICE - CONTINUED

3.3.5 NOMINATIONS - CONTINUED

- b. Daily nominations will be accepted, scheduled and confirmed in the following order: 1) Firm Transportation Service at Primary Receipt Point(s); 2) Firm Transportation Service at Secondary Receipt Point(s); 3) Authorized Overrun Deliveries for Firm Transportation Service Agreements; and 4) Imbalance Resolution Gas. Nominations are subject to the approval of the Company.
- c. The Shipper may request changes in Primary Receipt Point(s). Requests for such changes shall be made by submitting a Transportation Service Request form no less than fifteen (15) Business Days prior to the beginning of the month in which the change will be effective. The Company shall grant such changes if capacity is available and the change can be made without adversely affecting system operations or other firm obligations at the new or existing Primary Receipt Point(s). In no event shall the Shipper be entitled to more Transportation Service than is provided for under the Transportation Service Agreement.
- d. Nominations for service at Secondary Receipt Point(s) shall be made in accordance with the Company's Nomination Procedures. On any day that sufficient uncommitted capacity is available on the Company's system, the Company may receive from the Shipper, or for the Shipper's account, quantities of natural gas tendered at Secondary Receipt Point(s). The Company may be unable to confirm a Secondary Receipt Point nomination. In no event shall the Shipper be entitled to more Firm Transportation Service than is provided for under the Transportation Service Agreement.
- e. All nominated quantities will be expressed in Dekatherms per day and shall include FL&U Reimbursement.
- f. The Shipper and the Company will designate in writing their authorized personnel and alternates, and their respective telephone numbers and electronic mail (e-mail) addresses to make and accept Nominations, including any future changes of such designation.
- g. The Shipper shall provide the Company separate Nominations for the purpose of scheduling Imbalance Resolution Gas. Authorized Imbalance Resolution Gas shall be the first gas interrupted by the Company in the event of a Capacity Interruption or Supply Curtailment and subject to Authorized Overrun Charges.
- h. Failure of the Shipper to provide daily Nominations to the Company may result in transportation being curtailed, provided that the Company will continue to provide transportation if the Shipper, through communications with the Company, cures such Nomination deficiencies.



RULES AND REGULATIONS
NATURAL GAS TRANSPORTATION SERVICE - CONTINUED

3.3.5 NOMINATIONS - CONTINUED

- i. The Company is not responsible for ensuring that the nominated quantities are actually tendered at the Receipt Point(s) or that calculations developed for or by the Shipper are correct.
- j. In the event that the Company determines that an emergency or other circumstances exist, the Company may modify Nomination procedures.

Any discrepancy in Nominations that cannot be resolved shall result in the Shipper receiving the lesser of these two quantities: the Shipper's Nominations to the Company or Interconnecting Party's confirmation.

The Company shall have the right to require Nomination changes, to ensure that receipts and deliveries match. The Company shall be responsible for informing Interconnecting Party(s) and the Shipper of the change. If the Interconnecting Party(s) does not confirm the Nomination change, further transportation may be curtailed until such confirmation is obtained or another Nomination is confirmed.

Nomination Changes By The Company. If on any Day the Company determines that there is an under-delivery or over-delivery of natural gas into the Company's System from an Interconnecting Party(s) or from the Company's System at the Delivery Point(s), the Company shall have the right to make adjustments to the Shipper's Nominations to more accurately reflect actual receipts or deliveries into or from the Company's System.

3.3.6 DETERMINATION OF QUANTITIES TRANSPORTED

Quantity determinations shall be done in accordance with the Company's Rules and Regulations for Natural Gas Service, and quantities will be apportioned in gas Day increments. Determinations may be adjusted by Supply Curtailments or other restrictions. Any quantities not curtailed by the Company which are transported in excess of confirmed Nominations or Allocations during any Restricted Delivery Day will be charged the Authorized Overrun Charge.

3.3.7 IMBALANCE PROVISION

The Shipper shall make every effort to manage daily receipts of the Shipper's Gas at the Receipt Point(s) and deliveries to the Delivery Point(s) so that the



RULES AND REGULATIONS
GAS TRANSPORTATION SERVICE - CONTINUED

3.3.7 IMBALANCE PROVISION – CONTINUED

Imbalance(s) at the end of each Month, including any Imbalance(s), carried forward from the previous Month, are as close to zero as practicable. Determination of such Imbalance(s) will be made after adjusting for FL&U Reimbursement. Imbalances will be determined by the Company on a daily basis or as otherwise specified.

The Company shall determine the monthly Imbalance(s) attributable to each Transportation Service Agreement for each Shipper through the last day of the billing month. Imbalance Resolution Gas shall be deemed last through the meter in determining the amount of a Shipper's Imbalance. At the Shipper's request, the Company may net Imbalances arising under all of the Shipper's Transportation Service Agreements for such month to determine one monthly Imbalance for the Shipper.

The cumulative Imbalance(s) shall be calculated as the cumulative total of all previous and current monthly Imbalance(s) which have not been cashed out or cured in any other manner as allowed in this Tariff. Black Hills Energy will take any prior period adjustments for receipts or deliveries into account in calculating the cumulative Imbalance.

If, at the end of any month, the cumulative Imbalance for a Shipper is in excess of twenty-five percent (25%) of the total monthly quantities delivered, the Imbalance will be cashed out effective on the last day of such month to zero percent (0%) when the Shipper is billed by the Company for the Month in which the Imbalance occurred. Shippers exceeding the twenty-five percent (25%) cumulative Imbalance threshold are prohibited from decreasing the amount of the Imbalance by nominating imbalance payback gas during the succeeding month.

If the Cumulative Imbalance exceeds five percent (5%) but is less than twenty-five percent (25%) of the total monthly quantities delivered at the end of any month, the Shipper shall cure the cumulative Imbalance to zero percent (0%) of actual usage within the subsequent billing period. If at the end of the subsequent billing period, the cumulative Imbalance is greater than five percent (5%), then the Shipper shall be cashed out effective on the last day of such month to zero percent (0%).

The term "cash out" or "cashed out" shall refer to the resolution of the cumulative Imbalance quantity by the procedures set forth herein pursuant to which a market index rate is multiplied by the cumulative Imbalance to determine an amount payable either to the Company or the Shipper to eliminate the cumulative Imbalance. If a Shipper's cumulative Imbalance remains at or above five percent (5%) by the end of the subsequent billing period, the Shipper shall be subject to the following cash out provisions as to the entire remaining cumulative Imbalance.

- a. The Cash Out Index Price shall be the average of each Daily Mid-Point Price for Colorado Interstate Gas Company (North System) as published by Gas Daily (Pasha Publications) for the month in which the cumulative Imbalance exceeded the five percent (5%) tolerance.
- b. Where the cumulative Imbalance represents volumes owed to the Company, the Shipper shall pay the Company an amount equal to one hundred ten percent (110%) of the Cash Out Index Price times the cumulative Imbalance quantity.



RULES AND REGULATIONS
NATURAL GAS TRANSPORTATION SERVICE - CONTINUED

3.3.7 IMBALANCE PROVISION – CONTINUED

- c. Where the cumulative Imbalance represents volumes owed to the Shipper by the Company, the Company shall pay the Shipper an amount equal to ninety percent (90%) of the Cash Out Index Price times the cumulative Imbalance quantity.
- d. Notwithstanding the above, should the Company, at its discretion, deliver or cause to be delivered volumes that would otherwise cause the Shipper to incur a cash out fee for non-conforming deliveries, the Company shall notify the Shipper, and such cash out fees will be reduced to the extent applicable. Any resulting Imbalance(s) shall be made upon a mutually agreeable basis as soon as practicable.
- e. Payment of cash out amounts as determined above shall resolve all cumulative Imbalance quantities considered in such cash out calculations.

Initial deliveries during a Month will first be applied against the prior Month's Imbalance to determine the overage or underage for that Month.

Daily Imbalances. Except in the event of a Shipper force majeure, if, on any day of flow, actual receipts or deliveries at the Company's Receipt Point(s) or Delivery Point(s) differ from the Shipper's daily Nominations by more than fifteen percent (15%) of such daily Nomination (net of any adjustments for FL&U Reimbursement quantities and adjustments for the offset of Imbalance resolution gas) in the Company's reasonable judgment, the Company shall have the right to require the Shipper to make a revised intra-day Nomination to cause the forecasted receipts and deliveries (net of any adjustments for FL&U Reimbursement quantities and adjustments for the offset of Imbalance resolution gas) for that day to be equal. If a revised intra-day Nomination is not received by the Company within two (2) hours after notification of such deviation to the Shipper by the Company, further transportation may be curtailed until a revised intra-day Nomination is received.

Operational Imbalances. At no time shall the Company be required to receive quantities at the Receipt Point(s) for the Shipper's account in excess of the quantities the Shipper or the Shipper's designee will accept at the Delivery Point(s) on a concurrent basis, plus any applicable FL&U Reimbursement volumes. At no time shall the Company be required to deliver quantities at the Delivery Point(s) for the Shipper's account in excess of the quantities Shipper causes to be received by the Company at the Receipt Point(s) on a concurrent basis, less adjustments for FL&U Reimbursement volumes.

Except as provided below, the Shipper shall cause gas to be delivered to the Company by the Interconnecting Party(s) at a constant rate, as practicable, throughout the day equal to an hourly flow rate of 1/24th of daily Nomination. If gas is delivered to the Company by the Interconnecting Party(s) at an inconsistent rate, and the Company's operations are negatively affected, the Company shall have the authority to restrict the Shipper's quantities or adjust the Shipper's Nomination to an amount equal to the delivered rate by the Interconnecting Party(s).

Subject to availability on the Company's System, the Shipper shall be entitled to take gas at any Delivery Point at an hourly rate necessary to serve its markets; provided, however, that the Shipper shall not be entitled to take, and the Company shall not be obligated to deliver, gas during any hour at any Delivery Point in excess of five percent (5%) of the Shipper's Maximum Daily Quantity for such Delivery Point.



RULES AND REGULATIONS
NATURAL GAS TRANSPORTATION SERVICE - CONTINUED

3.3.7 IMBALANCE PROVISION – CONTINUED

Imbalance Report. The Company shall formally notify the Shipper of the Imbalance, by way of a statement of transportation of the Shipper's gas concurrent with the Shipper's invoice for Transportation Service. If a Shipper disagrees with the Company's Imbalance on the transportation statement, stating reasons, therefor, the Shipper shall notify the Company as soon as practicable, but in no event later than fifteen (15) days after receipt of the Company's transportation statement. However, such notice disputing the accuracy of the statement shall not be sufficient reason for delaying correction of the Imbalance or withholding payment pursuant to cash out provisions. If the statement is found not to be accurate, the Company will adjust the Imbalance and the amount of over or underpayment on the next bill or statement.

3.3.8 BALANCING UPON TERMINATION

Upon termination or cancellation of the Transportation Service Agreement, if Transportation Service is not continued under another Transportation Service Agreement, any under-deliveries or over-deliveries shall be eliminated at the earliest practicable date, not to exceed thirty (30) days following such termination or cancellation. If at the end of the thirty (30) day period an under-delivery or over-delivery exists, then, as appropriate, the Company shall cash out any remaining cumulative Imbalance to zero percent (0%) in accordance with the cash out provisions in the Imbalance Provision section of this Tariff.

If the Transportation Service Agreement is terminated and service continues under another Transportation Service Agreement, the Imbalance may, upon the Shipper's request, be transferred to the new Transportation Service Agreement and the Imbalance Provisions shall apply.

3.3.9 IMBALANCES DUE TO MEASUREMENT OR NOMINATION ENTRY ERROR

If an inaccuracy occurs as a result of an error in measurement devices, billing errors or errors in the entry of nominations by the Company, the Company will correct measurement, billing statements or nomination entries and will allow the Shipper an amount of time equal to the period in which it is determined the measurement device was malfunctioning or the billing statement or nomination entries were incorrectly entered by the Company for the Shipper to correct the Imbalance. In no event shall this period be longer than six (6) months for the Shipper to correct the Imbalance. After such period, any Imbalance will be subject to the Imbalance Provisions of this Tariff.

3.3.10 OVERRUN INTERRUPTION OF SERVICE

Transportation Service in excess of the Maximum Daily Quantity is subject to availability of System capacity in the Company's System. Should the Company, in its sole judgment, determine that adequate System capacity is unavailable, then the Shipper may be subject to immediate Overrun Interruption of Transportation Service for those quantities in excess of the Maximum Daily Quantity.



RULES AND REGULATIONS
NATURAL GAS TRANSPORTATION SERVICE – CONTINUED

3.3.11 SUPPLY CURTAILMENTS

Transportation Service hereunder is subject to receipt of adequate supplies of the Shipper's Gas by the Company. Should the Shipper fail to cause the Shipper's Gas to be supplied to the Company for transportation, or if supplies of the Shipper's Gas are not confirmed by Interconnecting Party, the Company will notify the Shipper. The Company will accept, until 10:00 a.m. CCT the morning of such gas Day, revised Nominations that conform with the receipt quantities confirmed from the curtailed Interconnecting Party(s). The Company will also allow resourcing of curtailed quantities from other Receipt Point(s) as listed on Exhibit A to the Shipper's executed Transportation Service Agreement, subject to availability, and provided the revised Nomination is submitted no later than 10:00 a.m. CCT the morning of such gas Day. The Shipper is responsible for notifying the Interconnecting Party(s) to make corresponding confirmations of supply to the Company no later than 12:30 p.m. CCT of such gas Day. Any revised Nomination not confirmed by the Interconnecting Party(s) by 12:30 p.m. CCT shall be deemed denied. With the exception of authorized Imbalance Resolution Gas and Authorized Overrun Transportation Service, in no event shall revised Nominations bump quantities already previously scheduled and confirmed for such gas Day. If the Company does not receive from the Shipper revised conforming Nominations by 10:00 a.m. CCT the morning of such gas Day, or if the revised Nominations are not confirmed by the Interconnecting Party(s) by 12:30 p.m. CCT of such gas Day, then the Shipper may be subject to immediate Supply Curtailment of Transportation Service upon notification by the Company.

In the event of an emergency, the Company will accept, for one (1) hour, revised Nominations that conform with the receipt quantities received by the Company from the curtailed Interconnecting Party(s).

3.3.12 RESTRICTED DELIVERY DAY

In the event of a Restricted Delivery Day the Company will send notice of such event to the Shippers by 4:00 p.m. CCT the day prior to the implementation of the Restricted Delivery Day. At that time the Company will accept, until 10:00 a.m. CCT the morning of such gas Day, revised Nominations.

The Shipper is responsible for notifying the Interconnecting Party(s) to make corresponding confirmations of supply to the Company no later than 12:30 p.m. CCT of such gas Day. Any revised Nomination not confirmed by the Interconnecting Party(s) on or before 12:30 p.m. CCT shall be deemed denied. With the exception of authorized Imbalance Resolution Gas and Authorized Overrun Transportation Service, in no event shall revised Nominations bump quantities already previously scheduled and confirmed for such gas Day. In the event of an emergency, the Company may at any time call a Restricted Delivery Day, and will send notice to the Shippers of the Restricted Delivery Day, and may accept revised Nominations if the Company in its sole judgment is administratively and operationally able to do so.

3.3.13 CAPACITY INTERRUPTIONS

The Company shall have the right to interrupt the transportation of gas for the Shipper, when necessary, due to lack of capacity, or to test, alter, modify, enlarge, or repair any facility or property comprising a part of its System, or otherwise related to the operation thereof. Except in cases of emergency, the Company shall use reasonable efforts to give advance notice to the Shipper of its intention to interrupt the transportation of gas, stating the anticipated timing and magnitude of such Capacity Interruption. Except as set forth above, the Company shall have no other responsibilities to the Shipper for any alterations or repairs and shall have no liability for any losses or damages whatsoever occasioned by such alterations or repairs.



RULES AND REGULATIONS
NATURAL GAS TRANSPORTATION SERVICE - CONTINUED

3.3.14 ASSIGNMENTS

The Shipper shall make no sale or assignment of the executed Transportation Service Agreement or any of the rights or obligations thereunder unless there first shall have been obtained the written consent thereto of the Company; provided, however, that the Company will not withhold consent in an unreasonable or unduly discriminatory manner or in a manner otherwise inconsistent with the regulations of the Public Service Commission of Wyoming. An assignment will be treated as a new request for service unless gas is tendered by the Assignee within sixty (60) days of the date of assignment.

3.3.15 NOTICES

Except as otherwise provided, any notice, request, demand, statement, bill, or payment provided in the Transportation Service Agreement, or any notice that either party may desire to give to the other, shall be in writing, and shall be considered as duly delivered or furnished when mailed to the address listed in the Transportation Service Agreement, or such other address as either of the parties shall designate in writing.

3.3.16 BILLING AND PAYMENT

Statements for transportation of the Shipper's Gas under this transportation Tariff and invoices for such Transportation Service will be rendered on or before the ninth (9th) Business Day of each Month, for services rendered to the Shipper under the executed Transportation Service Agreement during the preceding month.

Payment to the Company for services rendered during the preceding month shall be due and payable ten (10) days from the invoice date. Subject to the provisions below, the Shipper shall make such payment to the Company by wire transfer in immediately available funds to a depository designated by the Company. When the due date falls on a day other than a Business Day, the Shipper shall cause such payment to be actually received by the Company on or before the first Business Day after such due date.

In the event the Shipper is unable to make payment by wire transfer, then payment to the Company for services rendered during the preceding month shall be due and payable ten (10) days after the invoice date. The Shipper shall cause payment for such bill to be actually received by the Company at a lock box designated by the Company, on or before such due date.

Failure to Pay Bills. If the Shipper fails to pay for the services provided under this Tariff, then the Company may discontinue service as provided in the Tariff and in accordance with the Company's Natural Gas Service Rules and Regulations.

Verification of Statements. The Shipper and the Company shall have the right to examine, for a period of two (2) years, books, records and charts of the other to the extent necessary to verify the accuracy of the statement, charge, or computation made under the provisions of this Tariff.



RULES AND REGULATIONS
NATURAL GAS TRANSPORTATION SERVICE - CONTINUED

3.3.16 BILLING AND PAYMENT - CONTINUED

Deposits for Natural Gas Transportation Service. A deposit may be required for any first time Shipper requesting gas Transportation Service. Any Shipper who has not received Sales or Transportation Service from the Company for at least twenty-four (24) months within the last three (3) years is considered a first-time Shipper. A deposit may also be required from existing Shippers if the Company reasonably determines that the Shipper's financial statements, commercial credit reports from a credit reporting agency, or other information relating to the Shipper's financial status or if the Shipper's recent payment records include recent or substantial delinquencies. The deposit shall be the sum of the estimated bill for ninety (90) days.

The Shipper deposits for gas transportation accounts will be retained by the Company for a minimum period of one (1) year or until service is discontinued if sooner than one (1) year.

Any Shipper deposit required hereunder shall not be considered as advance payment or partial payment of any bill for service and shall not be transferable to another Shipper. The deposit is security for payment of service to be applied against unpaid bills only in the event service for the account on which the deposit was being held as security is discontinued.

A surety bond or irrevocable letter of credit from a financial institution will be accepted in lieu of a deposit but must be issued for an amount equal to the required deposit and be issued for a one (1) year period or at the discretion of the Company. A credit report from a commercial credit reporting agency may also be accepted in lieu of a deposit.

Refunds of Deposits for Natural Gas Transportation Service. Refunds of deposits for gas Transportation Service will be made following the one (1) year retention period in which the Shipper's most recent twelve (12) months' history indicates that service has not been discontinued for nonpayment and not more than two (2) Notices of Discontinuance have been mailed within the last six (6) months. Refunds will otherwise be made only at such time as service is discontinued and all outstanding bills have been paid.

Simple interest on deposits, at the Commission Authorized Interest Rate as defined in the Commission Rules, shall apply only to deposits held for at least six months, but shall accrue from the initial date of deposit through the date the deposit is returned. Interest will be paid annually, upon refund of deposits or when the accrued interest equals or exceeds \$10.00. Interest will be paid on Shipper deposits either by check or a credit to the Shipper's account.



RULES AND REGULATIONS
NATURAL GAS TRANSPORTATION SERVICE - CONTINUED

3.3.17 TAXES

The Shipper shall pay or cause to be paid all taxes and assessments imposed on the Shipper with respect to natural gas transported prior to and including its delivery to the Company, and the Company shall pay or cause to be paid all taxes and assessments imposed on the Company with respect to natural gas transported after its receipt by the Company and prior to redelivery to the Shipper; provided, however, that the Shipper shall pay to the Company all taxes, levies or charges which the Company may by law be required to collect from the Shipper by reason of all services performed for the Shipper and for which the Company has not already provided for collection through its rates.

Neither party shall be responsible or liable for any taxes or other statutory charges levied or assessed against any of the facilities of the other party used for the purpose of carrying out the provisions of the executed Transportation Service Agreement.

3.3.18 CONTROL, POSSESSION AND ALLOCATION OF NATURAL GAS

As between the Company and the Shipper, the Company shall be deemed to be in control and possession of the natural gas from the time it is delivered to the Company at the Receipt Point(s) until it is redelivered to the Shipper at the Delivery Point(s), and the Shipper shall be deemed to be in control and possession of the natural gas at all other times.

The Company shall have no responsibility prior to its acceptance of natural gas at the Receipt Point(s) and after delivery at the Delivery Point(s), and the Shipper shall have sole responsibility for all arrangements necessary for delivery of natural gas to the Company at the Receipt Point(s) for transportation, and for all arrangements necessary for receipt of natural gas for the account of the Shipper at the Delivery Point(s), which arrangements otherwise meet the provisions set forth in these Rules and Regulations.

In the event the natural gas tendered by the Shipper to the Company at the Receipt Point(s) for transportation, or delivered by the Company to the Shipper (or for the Shipper's account) at the Delivery Point(s), is commingled with other natural gas at the time of measurement, the determination of deliveries applicable to the Shipper shall be made by the Company.

In the event the Shipper is receiving Transportation and/or Sales Service from the Company under more than one Rate Schedule, gas delivered by the Company to the Shipper shall be deemed to be first applicable to sales service pursuant to Sales Rate Schedules, and second to Transportation Rate Schedules.



RULES AND REGULATIONS
NATURAL GAS TRANSPORTATION SERVICE – CONTINUED

3.3.19 ADVERSE CLAIMS TO NATURAL GAS

Notwithstanding anything to the contrary in the executed Transportation Service Agreement, the Shipper agrees to indemnify and hold harmless the Company, its officers, agents, employees and contractors against any liability, loss or damage whatsoever, including costs and attorneys' fees, suffered by the Company, its officers, agents, employees or contractors, where such liability, loss or damage arises directly or indirectly out of any demand, claim, action, cause of action or suit brought by any person, association or entity, public or private, asserting ownership of or an interest in the natural gas tendered for transportation.

3.3.20 QUALITY

Gas Receipts. Unless otherwise specified by the Company, gas tendered to the Company will conform with the quality specifications set forth under this Tariff and associated Transportation Service Agreement executed between the Shipper and the Company.

At a pressure of 14.73 psia and a temperature of 60°F, gas received by the Company shall conform to the following specifications:

- a. Hydrogen Sulfide: The gas shall not contain more than one-quarter (1/4) grain per one hundred (100) cubic feet.
- b. Total Sulfur: The gas shall not contain more than five (5) grains per one hundred (100) cubic feet.
- c. Carbon Dioxide: The gas shall not contain more than three percent (3%) by volume.
- d. Water Content: The gas shall not contain more than three (3) pounds per one million (1,000,000) cubic feet.
- e. Flowing Gas Temperature: The gas shall not be less than twenty degrees Fahrenheit (20°F) or more than one hundred and twenty degrees Fahrenheit (120°F).
- f. Hydrocarbon Dew point: The gas shall not exceed twenty-five degrees Fahrenheit (25°F) at the prevailing pressure.
- g. Oxygen Content: The gas shall not contain more than ten parts per million (10 ppm), and every reasonable effort shall be made to keep the gas delivered free of oxygen.
- h. Heating Value: The gas shall contain an average heating content of not less than nine hundred sixty-eight (968) Btu's per cubic foot nor more than twelve hundred (1,200) Btu's per cubic foot.
- i. Total Inerts: The gas shall not contain more than six percent (6%) by volume.



RULES AND REGULATIONS
NATURAL GAS TRANSPORTATION SERVICE - CONTINUED

3.3.20 QUALITY - CONTINUED

The Company has no obligation to accept gas of a lesser quality than that set forth herein above or to accept gas of a lesser quality than that which is to be delivered. The Company may, however, accept natural gas which differs from the quality specifications set forth above, but only until such time as the Company, in its reasonable discretion and judgment, determines that natural gas received for transportation must conform to the quality specifications set forth above to maintain desired standards in and/or prudent operation of part or all of the Company's System. Upon such a determination, the Company will notify the Shipper that, within a specified period of time, all prospective deliveries must comply with the quality specifications set forth above or the provisions of the paragraph below shall be applicable to all natural gas tendered for transportation which does not so comply.

If gas tendered to the Company would cause gas that the Company tenders to another pipeline to fail to meet the quality specifications set forth in the Tariff of the other pipeline, the Company may refuse to accept such gas even if it meets the quality specifications hereunder.

If, at any time, gas tendered by the Shipper for transportation by the Company shall fail to substantially conform to any of the applicable quality specifications, the Company shall notify the Shipper of such continuing quality deficiency; and in the event that within the specified period of time set forth in the deficiency to the extent necessary, the Company may, at its option, refuse to accept delivery pending further correction of the deficiency by the Shipper to the extent necessary.

Failure by the Shipper to tender deliveries that conform to any of the applicable quality specifications shall not be construed to eliminate, or limit in any manner, the rights and obligations existing under any other provisions of the executed Transportation Service Agreement.

Odorization. The Company odorizes its natural gas only to meet requirements of the Department of Transportation, as stated in the Transportation of Natural and Other Gas by Pipeline, Minimum Safety Standards, 49 C.F.R. Section 192.625. The Company assumes no responsibility for odorization of the natural gas after its delivery to the Shipper or for the Shipper's account, and the Shipper or the Shipper's designee shall not rely on the Company's odorization of the natural gas to meet any requirement or obligation of the Shipper or the Shipper's designee with respect to the odorization of natural gas.

Objectionable Matter. The gas delivered to the Company shall be commercial in quality and free of substances harmful to pipeline facilities, including but not limited to dust, dirt, gum-forming constituents, water, and other liquid or solid matter, or water and hydrocarbons in liquid form at the temperature and pressure at which it is received by the Company, which might interfere with its marketability or cause injury to or interference with proper operation of the lines, regulators, meters, and other equipment of the Company.



RULES AND REGULATIONS
NATURAL GAS TRANSPORTATION SERVICE - CONTINUED

3.3.20 QUALITY - CONTINUED

Hazardous Substances. All gas tendered to the Company and component parts thereof shall not be hazardous to people, property, or the environment, cause damage to pipeline facilities, or be a limit to marketability. Hazardous substances include toxic substances, carcinogenic substances, reproductive toxins or other compounds and materials identified under hazardous materials laws.

Liability. The Company shall not be liable to the Shipper or a third party for any damages incurred as a result of the Company's refusal to receive gas that does not meet quality specifications. The Shipper delivering gas directly into the Company's System shall indemnify, save, and hold harmless the Company for any injury, damage, loss, or liability arising out of or relating to the Shipper's delivery of non-conformance gas.

Gas Interchangeability. For safe and efficient pipeline operations, gas received by the Company must be interchangeable from a utilization basis with supplies in its System. Because the gas composition must be known to determine if a supply is interchangeable, the Company reserves the right in all instances to evaluate gas composition to determine System compatibility and to refuse any gas which is unacceptable.

3.3.21 WARRANTY

The Shipper warrants that the title to all gas delivered to the Company will be free from all liens and adverse claims, and the Shipper shall defend and indemnify the Company against all damages, cost, and expenses, including attorney fees, arising from any claim against said gas or to royalties, taxes, license fees or charges thereon.

3.3.22 STATUTORY REGULATIONS

The respective obligations of the Company and the Shipper under the executed Transportation Service Agreement are subject to the laws, orders, Rules and Regulations of duly constituted authorities having jurisdiction.

3.4.1 EASEMENTS

A contract for natural gas service, or receipt of service by the Customer, will be construed as an agreement granting to the Company an easement for gas mains, services, meters, and other equipment of the Company necessary to render service to the Customer.. If requested by the Company, the Customer, before service is connected, will execute the Company's standard form of right-of-way agreement, granting to the Company, at no expense therefor, satisfactory easements for suitable location of the Company's mains, services, meters and metering equipment, and other appurtenances on or across lands owned or controlled by the Customer, and will furnish space and shelter satisfactory to the Company for all apparatus of the Company located on the Customer's premises. . The Customer shall be responsible for the cost of obtaining an easement from a third party if a planned service line will cross the property of a third party and that routing is at the request of the Customer and the Company has determined it can accommodate the Customer's requested routing. The easement shall be granted to the Company, not to the Customer securing the easement for the Company.



FORM OF TRANSPORTATION SERVICE AGREEMENT
APPLICABLE TO FIRM SERVICE
UNDER RATE SCHEDULE (SFT or LFT)

THIS AGREEMENT is made and entered into this ____ day of _____, by and between the Black Hills Energy division of Cheyenne Light, Fuel and Power Company, a Wyoming Corporation, hereinafter referred to as "Black Hills Energy," and _____, a _____, herein referred to as "Shipper."

WHEREAS, Black Hills Energy owns and operates a natural gas local distribution and Hinshaw pipeline system located in the state of Wyoming that is regulated by the Wyoming Public Service Commission (Commission) and through which it provides certain natural gas transportation services; and

NOW THEREFORE, in consideration of the representations, covenants, and conditions herein contained, Black Hills Energy and the Shipper agree as follows:

ARTICLE I
Gas To Be Transported

- 1.1 Subject to the terms and provisions of this Agreement and of Black Hills Energy's Rate Schedule (SFT or LFT), Black Hills Energy agrees to accept such volumes of natural gas as the Shipper may cause to be tendered to Black Hills Energy at the Receipt Point(s) for transportation on a firm basis, up to the Maximum Daily Quantities of natural gas set forth on Exhibit A, plus any applicable fuel, loss and unaccounted for gas reimbursement volumes ("FL&U Reimbursement").
- 1.2 Black Hills Energy shall schedule the available transportation capacity on the basis set forth in Section 3.3.5 of the Tariff Rules and Regulations incorporated by reference in Rate Schedule (SFT or LFT).
- 1.3 In accordance with Section 3.3.5 of the Tariff Rules and Regulations incorporated by reference in Rate Schedule (SFT or LFT), Black Hills Energy shall deliver on a firm basis and the Shipper shall accept at the Delivery Point(s) referenced in Paragraph 2.2 of Article II a quantity of natural gas equivalent, on an MMBtu basis, to the quantity of natural gas received by Black Hills Energy at the Receipt Point(s) for transportation hereunder less any applicable FL&U Reimbursement volumes; provided, however, that in no event shall Black Hills Energy be obligated to deliver on any day for transportation hereunder volumes in excess of the Maximum Daily Quantities for each Delivery Point set forth on Exhibit B.

ARTICLE II
Receipt Point(s), Delivery Point(s) and Delivery Pressures

- 2.1 The Receipt Point(s) at which the Shipper shall cause natural gas to be tendered to Black Hills Energy for transportation hereunder are described in Exhibit A to this Agreement. The delivery pressure, actual average atmospheric pressure, and other pertinent factors are also set forth in Exhibit A.



FORM OF TRANSPORTATION SERVICE AGREEMENT
APPLICABLE TO FIRM SERVICE
UNDER RATE SCHEDULE (SFT or LFT) - CONTINUED

- 2.2 The Delivery Point(s) at which Black Hills Energy shall deliver thermally equivalent quantities of natural gas transported hereunder, after appropriate reductions, are described in Exhibit B to this Agreement. The delivery pressure, actual average atmospheric pressure, and other pertinent factors applicable to the Delivery Point(s) are also set forth in Exhibit B.

ARTICLE III
Rate Schedule(s) and Rules and Regulations

- 3.1 The Shipper shall pay Black Hills Energy for services rendered hereunder in accordance with the Black Hills Energy Tariff Rate Schedule (SFT or LFT), or superseding Rate Schedule(s) on file with and subject to the jurisdiction of the Commission and lawfully in effect. The following are the charges which apply to service rendered under this Agreement pursuant to Rate Schedule (SFT or LFT).

(List applicable charges by reference to Section 3 of Rate Schedule (SFT or LFT) and the quantities of natural gas to which such charges apply)

- 3.2 The parties hereto agree that Black Hills Energy shall have the right from time to time to propose and file with the Commission changes, amendments, revisions and modifications in:
- (a) the rate(s) and Rate Schedule incorporated by reference as part of this Agreement pursuant to this Article III; and
 - (b) the Tariff Rules and Regulations incorporated by reference in said Rate Schedule, which are applicable hereto;

provided, however, that the Shipper shall have the right to protest any such changes before the Commission (or successor governmental agency) or other authorities and to exercise any other rights that the Shipper may have with respect thereto.

- 3.3 This Agreement in all respects is subject to the provisions of Rate Schedule (SFT or LFT), or superseding Rate Schedule(s), and applicable provisions of the Rules and Regulations included by reference to said Rate Schedule filed by Black Hills Energy with the Commission, all of which are by reference made a part hereof.

ARTICLE IV
Requirements and Conditions Precedent

- 4.1 This Agreement and the transportation arrangements provided for in this Agreement are subject to the jurisdiction, regulation, and orders of the Commission and the provisions of the Commission's Rules, as amended from time to time.



FORM OF TRANSPORTATION SERVICE AGREEMENT
APPLICABLE TO FIRM SERVICE
UNDER RATE SCHEDULE (SFT or LFT) - CONTINUED

- 4.2 Should the Commission (or successor governmental agency) impose by rule or order any terms and conditions upon this Agreement which are not satisfactory to Black Hills Energy or the Shipper, Black Hills Energy or the Shipper, upon issuance of said rule or order and notification to the other party, may terminate this Agreement and take appropriate legal steps to terminate service.
- 4.3 Transportation of natural gas provided for under the terms and provisions of this Agreement shall not commence until the following conditions have been met:
- (a) all necessary transportation agreements upstream of Black Hills Energy have been executed;
 - (b) all facilities necessary to commence service are in place and operational;
 - (c) all information required by Section 3.3.3 of the Tariff Rules and Regulations have been provided to Black Hills Energy;
 - (d) (other specific terms); and
 - (e) all terms of the Rate Schedule (SFT or LFT) have been complied with by the Shipper.

ARTICLE V
Term

- 5.1 This Agreement shall become effective on. After this Agreement becomes effective, it shall continue in full force and effect for a primary term of one (1) year and shall continue year to year thereafter unless terminated by either party upon one hundred and twenty (120) days written notice prior to the end of the contract period.

ARTICLE VI
Notices

- 6.1 Any formal notice, request or demand that either party gives to the other respecting this Agreement shall be in writing and shall be mailed by registered or certified mail or delivered by hand to the following address of the other party:

Black Hills Energy:
Black Hills Energy
1301 West 24th Street
Cheyenne, WY 82001

Shipper:
(Insert address)
Telephone No.:
Facsimile No.:
Email Address:



FORM OF TRANSPORTATION SERVICE AGREEMENT
APPLICABLE TO FIRM SERVICE
UNDER RATE SCHEDULE (SFT or LFT) - CONTINUED

or to such other address as a party shall designate by formal written notice. Routine communications may be made by ordinary mail, electronic mail (e-mail) or facsimile to the above facsimile number. Operating communications by telephone or other mutually agreeable means shall be considered as duly delivered without subsequent written confirmation. Payments to Black Hills Energy for services rendered hereunder shall be made in accordance with Section 3.3.16 of the Tariff Rules and Regulations incorporated by reference in Rate Schedule (SFT or LFT).

ARTICLE VII
Other Operating Provisions

(This Article is to be utilized when necessary to specify other operating provisions. It may not be used to alter the terms and conditions of Rate Schedule (SFT or LFT) or in a manner that would result in unduly discriminatory treatment of the Shipper.)

ARTICLE VIII
Miscellaneous

8.1 Black Hills Energy and the Shipper expressly agree that the laws of the State of Wyoming shall govern the validity, construction, interpretation, and effect of this Agreement and of the Tariff Rules and Regulations incorporated by reference in Rate Schedule (SFT or LFT).

8.2 Exhibits A and B attached to this Agreement are hereby incorporated by reference as part of this Agreement. The parties may amend Exhibits A and B by mutual agreement, which amendments shall be reflected in a revised Exhibit A and/or B and shall be incorporated by reference as part of this Agreement. This Agreement shall be subject to Black Hills Energy's Rate Schedule (SFT or LFT).

8.3 Black Hills Energy may from time to time waive certain requirements set forth in this Agreement; provided, however, that such waiver shall not be construed as a permanent waiver or change of this Agreement.

8.4 The term "Shipper" as used herein shall apply to any agent or assignee of the Shipper authorized to act on behalf of the Shipper in accordance with Section 3.3.14 of the Tariff Rules and Regulations incorporated by reference in Rate Schedule (SFT or LFT), and as evidenced by written notice to Black Hills Energy by the Shipper.

IN WITNESS HEREOF, the parties caused this Agreement to be executed in two (2) original counterparts, by their duly authorized officers, the day and year first set forth herein.

Black Hills Energy (SHIPPER)

By: By:

Name: Name:

Title: Title:



FORM OF TRANSPORTATION SERVICE AGREEMENT
APPLICABLE TO FIRM TRANSPORTATION
SERVICE UNDER RATE SCHEDULE (SFT or LFT) - CONTINUED

EXHIBIT A
To The Transportation Service Agreement
Dated _____

Between Black Hills Energy and _____

Shipper's Transportation Contract Demand (Total Maximum Daily Quantity): _____ MMBtu

	Maximum Delivery Pressure(s) (psig)*	Actual Average Atmospheric Pressure(s) (psia)	Maximum Daily Quantity (MMbtu)
<u>Primary Receipt Point(s)</u>			
<u>Secondary Receipt Point(s)</u>			

* Necessary pressure to enter the Black Hills Energy System; not in excess of: 500 psig

A. Effective Date of this Exhibit A: _____

Black Hills Energy

(SHIPPER)

By:
Name: _____

By:
Name: _____

Title: _____

Title: _____



FORM OF TRANSPORTATION SERVICE AGREEMENT
APPLICABLE TO FIRM SERVICE
UNDER RATE SCHEDULE (SFT or LFT) - CONTINUED

EXHIBIT B
To The Transportation Service Agreement
Dated _____

Between Black Hills Energy and _____

Shipper's Transportation Contract Demand (Total Maximum Daily Quantity): _____ MMBtu

<u>Primary Delivery Point(s)</u>	Maximum Delivery Pressure(s) (psig)*	Actual Average Atmospheric Pressure(s) (psia)	Maximum Daily Quantity (MMbtu)
<u>Secondary Delivery Point(s)</u>			

*Black Hills Energy's prevailing line pressure; not in excess of: 500 psig

A. Effective Date of this Exhibit B: _____

Black Hills Energy	(SHIPPER)
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____



RULES AND REGULATIONS
OTHER PROVISIONS APPLICABLE TO
ALL NATURAL GAS SERVICES

3.4.2 ACCESS FOR COMPANY'S EMPLOYEES

The Customer will provide access to the served premises at all reasonable times for authorized employees of the Company for any proper purpose incidental to the supplying or transporting of natural gas service.

3.4.3 CUSTOMER'S INSTALLATION

The Customer, before purchasing equipment or beginning construction of a proposed installation, should confer with the Company to determine if the type of service, capacity, and pressure desired by the Customer is available; to determine if extensions of, or additions to, the Company's facilities will be required; and to secure definite location of the point of delivery, i.e., point where the Company's natural gas facilities will connect to those of the Customer. Before any additions to or alterations of existing installations are made by the Customer which will materially affect the amount of service required, or which may require a change in the type of service or the point of delivery, the Company must be notified reasonably in advance thereof as to the proposed additions or alterations in order that the Company may first determine if the service desired is available and, if so, that the necessary changes in the Company's facilities may be arranged for and completed.

All gas piping and other natural gas equipment on the Customer's side of the point of delivery will be furnished, installed and maintained at all times by the Customer in conformity with good practice, the requirements of any public body having jurisdiction, and in accordance with the Company's Rules and Regulations. The Company accepts no liability for injury or damage caused by defects in the Customer's piping or equipment.

No equipment or apparatus will be connected to Company's System the operation of which may cause such an abnormal pressure variation in said system as to impair or endanger the natural gas service supplied to other Customers on said System or to adversely affect the operation of Company's metering or pressure regulating equipment. In the event that equipment is having a high instantaneous demand, such as a gas engine, is to be connected, the Customer shall provide adequate pulsation or surge tank, shut-off valves and other protective devices as may be required by Company. The Customer shall, in every case, confer with the Company before any equipment or apparatus requiring extremely close regulation of pressure or quality of gas is connected to the Company's distribution systems.

When the Company is required by order of properly constituted authorities to move or alter its existing distribution system, thereby necessitating a change in the location of the service lead and/or the point of delivery, the Company will designate a new point of delivery to which the Customer, at his or her expense, will bring the service lead.



RULES AND REGULATIONS
OTHER PROVISIONS APPLICABLE TO
ALL NATURAL GAS SERVICES - CONTINUED

3.4.3 CUSTOMER'S INSTALLATION - CONTINUED

Service will be delivered to the Customer for each premises at one point of delivery to be designated by the Company.

The Company reserves the right to require the Customer to reimburse the Company for any cost due to a change in meters or other apparatus or in their locations made at the request of the Customer. Meters and other equipment of the Company will be removed or relocated only by employees of the Company.

For Transportation Service, the Shipper may install, maintain and operate at its own expense, at or near the Receipt and/or Delivery Point(s), check measuring equipment, provided the check measuring equipment shall be installed so as not to interfere with the operation of the Company's System or the accurate determination of the quantity of gas being measured. The Company shall have access to such check measuring equipment at all reasonable hours, but the reading, calibrating and adjusting thereof and chart management shall be the sole responsibility of the Shipper.

3.4.4 BILLING

Billing shall be rendered as nearly as possible on the same day each month and shall show, among other things, the meter readings at the beginning and end of the billing period, the date of the meter readings, the units consumed, and the class of service. Each bill shall show the date of the bill and the last day to pay the bill before late charges would be applied, as described on the Schedule of Charges for Rendering Service. If a meter reading is estimated, the bill shall indicate such.

The Company will exercise all reasonable means to ensure accurate computation of all bills for natural gas service. In the event a billing error is discovered, the Company shall refund to the Customer the amount of any overcharge having occurred therefrom in accordance with W.S § 37-2-218.

At a minimum, bills shall show the meter readings at the beginning and end of the billing period, the date of the meter readings, the units consumed and the class of service and other information necessary to enable the customer to readily recompute the amount of the bill.

When undercharges result from a metering inaccuracy or other problem under the Company's control, the Company may only make corrections on the billing rendered in the 183 days immediately prior to the date when the error was remedied pursuant to W.S § 37-2-222. The limitations described in this section do not apply to instances of Customer fraud, theft of gas, or where access to the meter has been denied. A Customer will be allowed to pay the amount due on a metering adjustment in equal payments, without interest, over a 12-month period pursuant to W.S § 37-2-222.



RULES AND REGULATIONS
OTHER PROVISIONS APPLICABLE TO
ALL NATURAL GAS SERVICES - CONTINUED

3.4.5 NATURAL GAS SYSTEM OPERATION AND MAINTENANCE

The Company will construct, operate, and maintain its natural gas systems in such manner as to furnish safe, adequate, and continuous natural gas service in accordance with the Rules of the Public Service Commission of Wyoming.

- a. However, the Company will not be liable for interruption, shortage, or insufficiency in the supply of natural gas, or for any injury, loss, or damage occasioned thereby, if same is due to causes or contingencies beyond the control of the Company including but not limited to accidents, breakdown of equipment, storms, acts of God, floods, fires, strikes, riots, wars, authority and orders of government.
- b. The Company, whenever it shall find it necessary for the purpose of testing, altering, modifying, or otherwise making repairs or improvements to its System, will have the right to temporarily suspend the delivery of natural gas. Planned interruptions, as referenced in this paragraph, are non-emergency service interruptions affecting at least twenty-five (25) meters or customers, whichever is greater.
- c. Interruptions of service, however, will not relieve the Customer from any charges for service actually supplied, nor will accidents to the Customer's equipment or machinery, or failure of the Customer's installation, not due to fault of the Company, relieve the Customer of payment of minimum charges under the applicable rate or contract.
- d. The Company may take such action as reasonably necessary to prevent damage to or material deterioration of its System and to maintain the operational integrity of the System.

Unless otherwise agreed to in writing, the Company shall only be responsible for the maintenance and operation of its own properties and facilities and shall not be responsible for the maintenance or operation of any other properties or facilities connected in any way with the receipt, transportation or delivery of natural gas.

3.4.6 PROTECTION OF SUB-SURFACE FACILITIES

The Customer shall consult the Company regarding the necessity of changing the location of gas service before building any improvement, addition, or structure over the gas service pipe. The Customer shall notify the Company before operating or permitting the operation of any power excavating or ditching equipment in the proximity of the Company's underground gas service on the Customer's premises.



RULES AND REGULATIONS
OTHER PROVISIONS APPLICABLE TO
ALL NATURAL GAS SERVICES – CONTINUED

3.4.7 METER ACCURACY

Residential and commercial meters are calibrated to +/- 1% and are considered accurate for billing purposes if they register within +/- 2% under test conditions in accordance with state and local Rules and Regulations, and in accordance with the Company's approved meter testing program. Inaccurate, improper or non-certified meters, including those for which accuracy has not been established, shall not be placed in service or allowed to remain in service.

The Company will exercise reasonable means to determine and maintain the general accuracy of all natural gas meters in use based on the Meter Test Program outlined in Appendix A of this Tariff. All meters will be tested for accuracy of adjustment and registration before installation and will be tested periodically at reasonable intervals but not more often than is found necessary in practice.

Each party shall have the right to have representatives present at the time of any installing, cleaning, changing, repairing, inspecting, testing, calibrating or adjusting done in connection with the other parties' measuring equipment, including calorimeters, used in the measurement of deliveries of gas.

The Company shall furnish, install and maintain industry-recognized and approved certified meters and meter connections free of extra cost to the Customer. Upon request of the Customer, the Company will promptly complete a meter test. If the meter has been tested in the past 12-month period, the Company shall notify the Customer of the cost to perform the test as described on the Schedule of Charges for Rendering Service. Upon receipt of payment, the Company shall notify the Customer of the time of the meter test so that the Customer or the Customer's representative can be present for the test. The Company shall promptly notify the Customer of the test results. Should the meter be found to be non-compliant, the Company shall refund the payment for the test to the Customer.

If any meter so tested is found to be more than 2% fast, the Company will refund to the Customer pursuant to W.S. § 37-2-218.



RULES AND REGULATIONS
OTHER PROVISIONS APPLICABLE TO
ALL NATURAL GAS SERVICES - CONTINUED

3.4.7 METER ACCURACY - CONTINUED

If any meter so tested is found to be more than 2% slow, the Company may collect from the Customer the difference between bills as rendered and corrected bills not to exceed one hundred eighty-three days prior to the date the adjustment is made, pursuant to W.S. § 37-2-222.

If any meter is found not to register for any period, the Company may collect for the natural gas, not to exceed one hundred eighty-three days, pursuant to W.S. § 37-2-222.

Correction of the bill will be made in accordance with Section 3.4.4.

3.4.8 METHOD OF MEASUREMENT

The unit of measurement for the purpose of calculating receipt and delivery of natural gas supplied or transported shall be one Dekatherm (Dth). Standard delivery pressure and temperature of natural gas supplied or transported by the Company is 14.73 pounds per square inch absolute (14.73 psia) and sixty degrees Fahrenheit (60°F). Meters shall clearly indicate the units of measurement for which the Customer is charged. If the Customer is billed in a different unit of measurement than the meter indicates, the conversion factors shall be stated on the Customer's bill. All meters will read in cubic feet, dekatherms or therms. All readings and registrations of the metering equipment shall be adjusted to the foregoing conditions for billing purposes in accordance with the following methodology.

Basis. All orifice meters shall be computed in accordance with Committee Report No. 3 of the American Gas Association.

Installation and determination of volumes delivered through positive displacement ("PD") meters shall conform to the recommendations in "Gas Measurement Manual Displacement Measurement Part Number Two" of the American Gas Association as revised, amended or superseded from time to time.

Where measurement is by other than orifice meters or PD meters, all necessary factors for proper volume determination shall be applied.

For purposes of measurement, the atmospheric pressure shall be the barometric pressure of twelve point seven (12.7) pounds per square inch atmospheric.



RULES AND REGULATIONS
OTHER PROVISIONS APPLICABLE TO
ALL NATURAL GAS SERVICES - CONTINUED

3.4.8 METHOD OF MEASUREMENT - CONTINUED

Flowing Temperature. The temperature of the gas flowing through a meter shall be obtained by the use of a temperature compensated meter, which correctly registers the volume, corrected to sixty degrees Fahrenheit (60°F). Where the quantities of gas metered will not be materially affected by so doing, the temperature at delivery shall be assumed to be sixty degrees Fahrenheit (60°F) when not regularly measured.

Specific Gravity. When orifice meters are used, the specific gravity of the gas delivered hereunder shall be determined by approved methods as frequently as necessary for reasonable accuracy, and such specific gravity shall be used in computing the volumes of gas delivered hereunder.

Heating Value. The heating value of gas shall be determined from time to time based upon composite samples, or by other approved method. Heating value determinations shall be made Monthly, or as frequently as necessary for reasonable accuracy.

Chromatographic Analysis. If the heating value and/or the specific gravity is determined by chromatographic analysis of the gas sample, the values of the physical constants for the gas compounds and the procedure for determining the gross heating value and/or specific gravity of the gas from them shall be as set forth in the Committee Report No. 3.

New Measurement Techniques. If at any time a new method or technique is developed with respect to gas measurement, such new method or technique may be substituted by the Company in the exercise of its reasonable judgment. The Company shall promptly inform the Shipper of any new technique adopted.

3.4.9 FORCE MAJEURE

Force Majeure shall mean circumstances not within the control of the parties and which by the exercise of due diligence, the affected party is unable to overcome. Force Majeure shall include but not be limited to acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of governments and people, civil disturbances, explosions, breakage or accident to wells, machinery or lines of pipe, freezing of wells or lines of pipe and partial or entire failure of wells. The term Force Majeure shall also include: the inability or delay of a party to acquire, at prudent cost, materials, supplies, servitudes, right of way grants, transportation agreements with parties other than the Company, permits, licenses or permissions from any governmental agency to enable such party to fulfill its obligations hereunder.

The Force Majeure provisions shall not apply to the inability of the Company to accept gas at the Receipt Point(s) or deliver gas at the Delivery Point(s) nominated by the Shipper for the purpose of correcting or curing an Imbalance in the Shipper's Gas transported on the Company's System.



RULES AND REGULATIONS
OTHER PROVISIONS APPLICABLE TO
ALL NATURAL GAS SERVICES - CONTINUED

3.4.9 FORCE MAJEURE – CONTINUED

In the event either party is rendered wholly or partially unable to carry out its obligations under the provisions of the Transportation Service Agreement or these Rules and Regulations due to a Force Majeure event, such party shall give notice and provide the full particulars of such Force Majeure, in writing or by electronic data transmitted to the other party as soon as is reasonably possible after the occurrence of the causes relied on. The obligations of the parties, other than to make payments of amounts due hereunder, so far as they are affected by such Force Majeure, shall be suspended during the continuance of any inability so caused, but for no longer period. The affected party shall use good faith and due diligence to remedy the Force Majeure event in a commercially reasonable manner.

It is understood and agreed that the settlement of strikes or lockouts shall be entirely within the discretion of the party having the difficulty, and that the above requirement that any Force Majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts by acceding to the demands of the opposing party when such course is inadvisable in the discretion of the party having the difficulty.

3.4.10 LIABILITY

Each party shall indemnify, save and hold harmless the other party, its officers, employees, and agents from any and all claims for injury to person or persons or damage to property occurring on its respective side of the interconnection point(s) between the Company's and the Shipper's or Receiving Party's facilities; provided, however, that nothing herein contained shall be construed as relieving or releasing either party from liability for injury or damage, wherever occurring, resulting from its own negligence or the negligence of any of its officers, employees or agents. In no event shall either party be liable for damages in an amount greater than the degree or percentage of negligence or fault attributable to that party or that party's agent. Each of the parties hereto shall be solely responsible for injury or damage, wherever occurring, due solely to any defect in equipment installed, furnished or maintained by such party.

All mains, services, apparatus, instruments, meters, regulators, and materials supplied by the Company at its expense or under its standard policies will be and remain the property of the Company. The Company's property shall not be worked upon or interfered with by the Customer or other unauthorized person.

The Customer shall be responsible for any damage to or loss of the Company's property located on the Customer's premises, caused by or arising out of the acts, omissions or negligence of the Customer or others under the Customer's control, or the misuse or unauthorized use of the Company's property by the Customer or others under the Customer's control. The cost of making good such loss and/or repairing such damage shall be paid by the Customer. The Customer shall be held responsible for injury to the Company's employees if caused by the Customer's acts, omissions or negligence.



RULES AND REGULATIONS
OTHER PROVISIONS APPLICABLE TO
ALL NATURAL GAS SERVICES - CONTINUED

3.4.10 LIABILITY - CONTINUED

The Company shall not be responsible for any injury to persons or damage to property occasioned or caused by the acts, omissions or negligence of the Customer or any of the Customer's agents, employees, or licensees, in installing, maintaining, operating, or using any of the Customer's piping, equipment, machinery, or apparatus, and for injury and damage caused by defects in the same.

The Company shall not be liable for injury to persons, damage to property, monetary loss, or loss of business caused by accidents, acts of God, fires, floods, strikes, wars, authority or orders of government, or any other causes and contingencies beyond the Company's control.

3.4.11 INDEMNITY TO COMPANY

The Customer shall hold the Company harmless and indemnify it against all claims and liability for injury to persons or damage to property when such damage or injury results from or is occasioned by the facilities located on the Customer's side of the point of delivery unless caused by the negligence or wrongful acts of the Company's agents or employees.

3.4.12 WAIVERS

The Company shall have the right to waive any one or more specific defaults by any Shipper or Customer in the performance of any provision of the applicable Rate Schedule, Tariff Rules and Regulations or Transportation Service Agreement; provided, however, that no such waiver shall operate or be construed as a waiver of any other existing or future default or defaults, whether of a like or a different character. In no event will waivers be granted or denied in an unduly discriminatory manner.

3.4.13 COMPLAINTS

The Company will investigate fully and promptly all complaints made by its Customers and will keep a record of all complaints which record will include: the name and address of the complainant, the date, the nature of the complaint, and the adjustment or disposition made thereof. This record will be kept for three years after the date of the complaint.

3.4.14 DESCRIPTIVE HEADINGS

The descriptive headings of the provisions of the Company's Rate Schedules, Rules and Regulations and the Transportation Service Agreement(s) are formulated and used for convenience only and shall not be deemed to affect the meaning or construction of any provision.

3.5 RESERVED FOR FUTURE FILINGS



RULES AND REGULATIONS
NATURAL GAS SERVICE
SERVICE CONNECTION AND MAIN EXTENSION POLICY

3.6 These Rules and Regulations set forth the Service Connection and Main Extension Policy of the Company and are applicable in all territory served by the Company.

3.6.1 GENERAL PROVISIONS

The provisions of this policy are subject to the Rules of the Commission and to the Company's Rules and Regulations contained herein and filed with the Commission.

When one or more Applicants request gas service at premises not connected to the Company's distribution system or request an increase in service to premises already connected where such increase will require additional investment, the Company, after consideration of the Applicant's gas requirements, will designate the service requested as Small General, Large General, Small Firm Transportation or Large Firm Transportation, and as Permanent, Indeterminate, or Temporary in accordance with the definitions hereinafter set forth, and will construct the extension with reasonable promptness in accordance with the applicable terms.

In all cases, the facilities provided will be constructed by the Company in accordance with the Company's specifications and shall be, at all times, the property of the Company to the Point of Delivery. Construction Costs for Main Extensions will be based upon the Company's estimated costs for construction and installation, of the facilities necessary to adequately supply the service requested by the Applicant. Such Construction Costs may include, but are not limited to, costs incurred for obtaining easements, rights-of-way, permit fees, provisions for special crews, overtime wages, use of special equipment and facilities, accelerated work schedules to meet Applicant's request, or difficult construction problems due to rock, frost, boring, together with all incidental and overhead expenses connected therewith. Where special items or practices, not incorporated in said specifications, are required to meet local construction conditions, the cost thereof will also be included.

Special contracts for extension of the Company's distribution system to supply commercial service, industrial service or service of indeterminate service, as herein described, will be filed with the Commission.

3.6.2 DEFINITION OF TERMS

Construction Allowance. That portion of the necessary Construction Costs made by the Company at the Company's expense.

Construction Costs. The combined estimated costs of all facilities and permits required and necessary for the construction and installation of the Main Extension or Reinforcement and Service Laterals.

Construction Deposit. Refundable amount advanced by the Applicant to pay Construction Costs.

Construction Payment. Non-refundable amount advanced by the Applicant to pay for the Construction Costs which are in excess of the Construction Allowance, and/or for Excess Construction Costs described herein.



RULES AND REGULATIONS
NATURAL GAS SERVICE
SERVICE CONNECTION AND MAIN EXTENSION POLICY – CONTINUED

3.6.2 DEFINITION OF TERMS – CONTINUED

Customer Owned Service Line. The line extending from the outlet side of the meter to the Customer's building or structure.

Distribution Main. A distribution main that serves as a common source of supply to one or more Customers.

Extension Completion Date. The date on which the construction of a Main Extension or Main Reinforcement is completed as shown by the Company's records.

Main Extension. Distribution facilities including all appurtenant facilities, including service lateral, regulation, and metering equipment which are necessary to supply service to one or more additional Customers.

Main Reinforcement. Increase in size or number of existing facilities necessitated by an Applicant's estimated gas requirements.

Meter Location. The physical location of the gas meter measuring the amount of gas supplied to the Customer.

Open Extension Period. The five-year (5) period during which the Company shall calculate and pay refunds of Customer Construction Deposits according to policy. The five-year (5) period begins on the Extension Completion Date.

Permanent Service. A requirement for gas service that will continually be utilized for a period of longer than eighteen (18) months.

Point of Delivery. Point where the Company's gas facilities are first connected to the gas facilities of the Customer.

Service Lateral. The buried supply pipe extending from the Distribution Main to the Point of Delivery.

3.6.3 CONSTRUCTION SPECIFICATIONS

The Company shall construct, install, operate and maintain facilities, including conducting leak surveys and cathodic protection in accordance with PHMSA regulations (49 CFR §§ 40; 191-193; 199) and shall conform with the Company's gas distribution practices and the requirements of local governing bodies. The location of the Main Extension origin and the route to be followed in the construction of the Main Extension shall be determined by the Company after consideration of the engineering problems involved, and with the objective of providing safe and adequate service. The origin need not necessarily be at either the point on the existing distribution system nearest to the Applicant's premises, nor does the route selected need to be the shortest distance between the origin and the Point of Delivery.

In all cases where it is deemed desirable or necessary by the Company to construct a Main Extension of greater capacity than that required for the Applicant in order to conform with future plans of the Company, the excess Construction Cost shall be borne by the Company.



RULES AND REGULATIONS
NATURAL GAS SERVICE
SERVICE CONNECTION AND MAIN EXTENSION POLICY – CONTINUED

3.6.4 CONSTRUCTION ALLOWANCE, DEPOSITS AND PAYMENTS

Meter Installation. The Company shall furnish, install and maintain industry-recognized and approved certified meters and meter connections free of extra cost to the Customer. Meters and meter connections shall be set at a reasonable location as near to the Customer's utilization equipment as practicable. The Company shall determine a location such that the meter can be easily accessed and is not installed in a location that may expose it to damage and in accordance with 49 CFR §192 while at the same time minimizing interference with the Customer. The Customer agrees to provide, without cost to the Company, a suitable location for the meter and its installation and take reasonable precautions to protect the Company's property from damage.

Installation of meters inside of buildings will not be allowed unless there are no other suitable locations, adequate ventilation can be provided, and local building codes permit interior installation. If a meter is located inside a building, the location of the meter will be as near as practicable to where the service enters the building. Meters shall be installed at the shortest safe distance to the customer's building entrance or point of utilization.

These meters and meter connections always remain the property of the Company and may be removed when the service is terminated for any cause. Upon the Customer request, the Company may install and maintain an additional meter. The costs associated with the additional meter shall be borne by the Customer.

Service Lateral Installations. The Company will install, operate and maintain the Service Lateral from the Distribution Main to the Point of Delivery and title shall vest in the Company.

Customer Owned Service Line. The Customer Owned Service Line shall be installed, constructed, repaired and maintained in good and safe condition at the sole expense of the Customer. Construction and installation of the Customer Owned Service Line shall be in accordance with approved industry standards. The Company shall have the right to inspect the Customer Owned Service Line construction and installation prior to being covered up.

The Company may refuse service to or through any Customer Owned Service Line which is not constructed in accordance with approved industry standards or does not receive a satisfactory approval by the Company upon inspection. The Company may continue such refusal until any deficiency has been corrected.

Federal Income Tax. The Company reserves the right to add as a line item to the Customer's payment, any income tax consequences associated with the Customer's cost of installation.



RULES AND REGULATIONS
NATURAL GAS SERVICE
SERVICE CONNECTION AND MAIN EXTENSION POLICY – CONTINUED

3.6.4 CONSTRUCTION ALLOWANCE, DEPOSITS AND PAYMENTS - CONTINUED

Permanent Small General Gas Service. For Commercial gas service of a permanent character, the Company will install at the Company's expense as a Construction Allowance, the necessary gas Main Extension, Service Lateral and related facility upgrades equivalent in cost to one and one-half (1.5) times the estimated annual revenue to be received from each Applicant. Where the Construction Costs of the required extension facilities exceed the Construction Allowance, the Applicant shall advance to the Company, prior to the start of construction, as a Construction Deposit, an amount equal to the excess cost of the gas facilities extension. Where more than one Applicant is involved, the proportionate share of the Construction Deposit for each Applicant will be determined by the Company. Any Applicant, with the permission of the Company, may assume more than the Applicant's proportionate share of the required Construction Deposit.

Permanent Large General Service. For Large General service of a permanent character, the Company will install at the Company's expense, as a Construction Allowance, the necessary gas Main Extension, Service Lateral and related facility upgrades equivalent in cost to one and one-half (1.5) times the estimated annual revenue to be received from each Applicant. Where the Construction Costs of the required extension facilities exceed the Construction Allowance, the Applicant shall advance to the Company, prior to the start of construction, the Construction Deposit. Where more than one Applicant is involved, the proportionate share of the Construction Deposit for each Applicant will be determined by the Company. Any Applicant, with the permission of the Company, may assume more than Applicant's proportionate share of the required Construction Deposit.



RULES AND REGULATIONS
NATURAL GAS SERVICE
SERVICE CONNECTION AND MAIN EXTENSION POLICY - CONTINUED

3.6.4 CONSTRUCTION ALLOWANCE, DEPOSITS AND PAYMENTS - CONTINUED

Indeterminate Service. The Applicants requesting service which is of an indefinite or indeterminate nature, such as that required by, but not limited to (a) speculative development of property for sale; (b) mines, quarries, sand pits, oil wells, and (c) other enterprises of more or less speculative characteristics, shall be required to pay to the Company, as a Construction Deposit, prior to construction, the entire estimated Construction Cost for the necessary gas Main Extension facilities, plus any associated income tax consequences.

An evaluation, as conditions warrant, shall be made of Indeterminate Service Customers within the Open Extension Period, during which the Customers may be appropriately reclassified as Permanent Service Customers.

Permanent Natural Gas Transportation Service. For gas Transportation Service of a permanent character, the Company will install at the Shipper's expense, unless otherwise agreed to between the Company and the Shipper, the necessary Main Extension facilities. The Applicant shall advance to the Company prior to the start of construction, an amount equal to the Construction Costs, plus any associated income tax consequences. Upon completion of the construction, the Company will determine the actual costs for the construction of the facilities, and any actual costs in excess of the Construction Costs will be invoiced by the Company, and the Shipper shall pay to the Company such amount within ten (10) days of receipt of the invoice. Payment shall be made in accordance with the payment instructions in Section 3.3.16 of the Company's Rules and Regulations.

Temporary and Intermittent Service. When service under any rate will be Temporary or Intermittent in character, the Extension shall be made at the option of the Company, and only where the Company has adequate capacity available for the requested class of service. For gas service of a Temporary or Intermittent character, the Applicant shall pay to the Company, as a Construction Payment, an amount equal to all costs of service connection (excluding metering) and disconnection, line extension and line removal after service has been discontinued. The Customer shall be credited with salvage value. The Applicant will additionally be responsible for any associated income tax consequences.

Excess Construction Costs. If, in the judgment of the Company, an extension will entail Construction Costs which are unusual or abnormal, the Applicant will pay the Company a non-refundable Construction Payment in the amount of these excess costs plus any associated income tax consequences. Excess costs may include, but are not limited to, costs incurred for obtaining easements, rights-of-way, permit fees, provisions for special crews, overtime wages, use of special equipment and facilities, accelerated work schedules to meet Applicant's request, special items required to meet local construction conditions, or difficult construction problems due to rock, frost, boring, together with all incidental and overhead expenses connected therewith. If excess costs must be paid by the Applicant, the Applicant will be given written notice of such charges, and such excess costs will be payable prior to the commencement of construction.



RULES AND REGULATIONS
NATURAL GAS SERVICE
SERVICE CONNECTION AND MAIN EXTENSION POLICY - CONTINUED

3.6.5 REFUNDS OF CONSTRUCTION DEPOSITS

Construction Deposits are subject to refund without interest during the Open Extension Period. Such refunds of Construction Deposit will be made in conformance with the provisions of the appropriate plan under which the Extension is classified. No refunds will be made after the Open Extension Period, and any remaining un-refunded Construction Deposit is forfeited and no longer subject to refund for any reason. In no case shall refunds be made which exceed the total amount of the Construction Deposit.

Refunds will be made to those Applicants taking service from the extension at the time of the refund excepting in the case of real estate subdivisions where the developer or builder has made the necessary Construction Deposit. In no event shall any Applicant who has terminated service be eligible for any refund after such termination.

No Applicant shall be entitled to a refund of the Construction Deposit until the number of Customers connected to the Main Extension is equal to the number of Customers included in the determination of the Construction Allowance and/or Construction Deposit and the total cost in excess of said Construction Allowance has been deposited with the Company.

Construction Deposit Refunds - Direct Extensions. Construction Deposits for direct extensions are refundable for a period of five (5) years from the Extension Completion Date. Construction Deposits are refundable up to the amount of the Construction Deposit whenever an extension of facilities is requested that directly connects to the facilities for which a Construction Deposit remains un-refunded, and the direct connection can be completed at an estimated cost which is less than the Construction Allowance.

Construction Deposit Refunds – Joint Trench. The Applicants who are required to make a Construction Deposit must do so prior to the installation of new service facilities. The work order estimate upon which the Construction Deposit is based assumes that the trench will be used to provide only the requested natural gas services. In the event another service provider, such as the local cable television or telephone provider, elects to join in the cost of the trench, the Applicant shall be entitled to a refund, not to exceed the Applicant's Construction Deposit, of the amount paid by the service provider electing to join in for its proportionate use of the open trench. Construction Deposit refunds under this provision shall only occur after the Company has received one hundred percent (100%) of the joint trench charges payable by the additional service provider(s).

3.6.6 REINFORCEMENTS

For all classes of service, any required Distribution Reinforcement shall generally recognize the Construction Cost, Construction Allowance and Applicant Construction Deposits or Construction Payment provisions of this Extension Policy.



RULES AND REGULATIONS
NATURAL GAS SERVICE
SERVICE CONNECTION AND MAIN EXTENSION POLICY - CONTINUED

3.6.7 SERVICE LATERAL AND METER RELOCATIONS/REPLACEMENTS

If an existing Company-owned Service Lateral requires relocation for the Customer's convenience or because of new construction on the Customer's premises, the Company will relocate or replace the existing Service Lateral subject to the Applicant's Construction Payment for the amount of relocation costs, plus any associated income tax consequences.

If an existing Residential Service Lateral requires replacement because of inadequate capacity, failure, or increased load, the Company will provide a new Service Lateral at no cost to the Customer.

3.6.8 EXCEPTIONS

For requested Main Extensions requiring substantial investment by the Company where the anticipated revenue from a Customer will not recover necessary fixed costs on the investment, the Company reserves the right to require the Applicant to pay the Company, in advance, all Construction Costs other than metering plus any associated income tax consequences without reimbursement. In addition, the Company may require the Applicant to enter into a contract to pay the Company an amount sufficient to cover all on-going costs of providing service to the Customer. Such costs include, but are not limited to insurance, replacement or removal, license and fees, taxes, operation and maintenance and appropriate allocable administrative and general expenses of such facilities.

3.6.9 TRANSMISSION LINE TAPS

Where natural gas service is to be supplied from a non-Company transmission main, all requests for such service are subject to the approval of the pipeline company owning the particular transmission main and to the rules of such pipeline company pertinent to the location of the transmission main, tap, and other equipment. The Company also reserves the right to limit the location and number of, or to reject, applications for service requiring transmission main taps. Inasmuch as the Company does not own, operate and maintain these transmission mains, the Company is not responsible for the continued delivery of gas to Customers served therefrom should the pipeline company re-route, abandon, or otherwise discontinue use of the transmission main or should operating conditions be so changed as to make the supplying of service directly therefrom too hazardous, difficult, or impractical, in the opinion of the Company, to be continued. The Applicant shall be responsible for all costs associated with the construction, other than the meter and house regulator, including but not limited to additional metering, regulation and Service Lateral.



RULES AND REGULATIONS
NATURAL GAS SERVICE
EXCESS FLOW VALVE PROGRAM

3.7.1 GENERAL CONDITIONS

The following described Excess Flow Valve Program has been implemented by the Company in order to comply with certain United States Department of Transportation regulations under the Natural Gas Pipeline Safety Act, as set forth at Section 192.383 of Title 49 of the Code of Federal Regulations. In the event such applicable federal regulatory requirements are ever changed in any way, the following described Excess Flow Valve Program shall be modified as necessary to conform to any such changes. Further, if and to the extent such federal regulatory requirements are vacated, repealed or otherwise made inapplicable to the Company, this Excess Flow Valve Program shall automatically terminate.

3.7.2 DEFINITION

An Excess Flow Valve is a mechanical device to be installed for eligible Customers. It is located between the Company's distribution main and the natural gas Service Lateral and is designed to automatically stop or limit the flow of natural gas in the Service Lateral in the event the flow of gas exceeds a preset level. Excess flow can occur, for example, in the event, there is a break or rupture in the Service Lateral.

3.7.3 CUSTOMER ELIGIBILITY

All Customers of the Company meeting the following qualifications will receive installation of an Excess Flow Valve under the Company's Excess Flow Valve Program:

- a. The Customer is or, after connection, will be individually metered by the Company and receives natural gas service through a single Service Lateral that serves a single residence under the Company's Natural Gas Sales Service Schedule SG;
- b. The Customer receives or, after connection, will receive natural gas service from a portion of the Company's natural gas distribution system which continuously operates above ten pounds per square inch gauge (10 psig); and
- c. The Customer has requested the installation of a new Service Lateral in accordance with the Company's Service Lateral Connection and Distribution Main Extension Policy, or is receiving natural gas service through a Service Lateral that the Company has determined requires replacement;

Provided, however, that an Excess Flow Valve will not be installed for the above Customers (i) if there is a history of contaminants in the gas stream that could interfere with the Excess Flow Valve's operation or cause loss of service to the Customer, (ii) if the Excess Flow Valve could interfere with the Company's operation and/or maintenance activities, or (iii) if an Excess Flow Valve meeting the required performance standards is not commercially available.

Installation of Excess Flow Valves for eligible Customers shall be made at a mutually agreeable date. Any Excess Flow Valve so installed under this program shall be owned by the Company.



RULES AND REGULATIONS
NATURAL GAS SERVICE
EXCESS FLOW VALVE PROGRAM - CONTINUED

3.7.4 CUSTOMER RESPONSIBILITY

The Customers eligible for an Excess Flow Valve shall be responsible for paying the Company a charge as listed on Sheet No. 6, to reimburse the Company for all costs directly connected with installing the Excess Flow Valve.



APPENDIX A
BLACK HILLS ENERGY NATURAL GAS METER TESTING PROGRAM

Purpose

The purpose is to create a Gas Meter Testing Program for the Company. The test selection program is designed to maintain a reasonable balance between high accuracy levels and the cost of maintaining these levels. Testing gas meters assures an acceptable level of accuracy of the metering plant and historical information to develop maintenance procedures and test programs.

New and Remanufactured Meters – Quality Assurance Testing

All gas meters are tested by the manufacturer prior to shipment. In addition to the meter testing performed by the manufacturer on all new and remanufactured gas meters, the Company will sample test new meter groups or lots by performing the quality assurance sampling and testing as follows:

New and remanufactured meters are tested in accordance with American National Standards Institute (ANSI) Z1.4: Sampling Procedures and Tables for Inspection by Attributes. Sampling plan: General Inspection Level II, Normal Inspection, Single Sampling and 2.5 AQL. A sample lot which passes inspection will fall within an acceptable accuracy limits of $\pm 1\%$ on the average test (average test = (open test + check test divided by 2)).

Lot Size	Sample Size	AQL 2.5	
		Accept	Reject
2 to 8	2	0	1
9 to 15	3	0	1
16 to 25	5	0	1
26 to 50	8	0	1
51 to 90	13	1	2
91 to 150	20	1	2
151 to 280	32	2	3
281 to 500	50	3	4
501 to 1200	80	5	6
1201 to 3200	125	7	8
3201 to 10000	200	10	11
10001 to 35000	315	14	15

Accept – means accept the Lot or Batch with no more than this quantity of defective meters.
Reject – means reject the Lot or Batch with equal or greater to this number of defective meters.

APPENDIX A
BLACK HILLS ENERGY NATURAL GAS METER TESTING PROGRAM - CONTINUED



New and Remanufactured Meters – Quality Assurance Testing - Continued

If the sample lot fails to test within these guidelines, the meter shipment will be returned and replaced at the supplier’s expense.

If the sample passes 10 lots, then the quality assurance testing program is adjusted to reduce sampling in accordance with ANSI Z1.4: Sampling Procedures and Tables for Inspection by Attributes. Sampling plan: General Inspection Level II, Reduced Inspection, Single Sampling and 2.5 AQL. A sample lot which passes inspection will fall within an acceptable accuracy limits of $\pm 1\%$ on the average test (average test = (open test + check test divided by 2)).

Lot Size	Sample Size	AQL 2.5	
		Accept	Reject
2 to 8	2	0	1
9 to 15	2	0	1
16 to 25	2	0	1
26 to 50	3	0	1
51 to 90	5	0	2
91 to 150	8	0	2
151 to 280	13	1	3
281 to 500	20	1	4
501 to 1200	32	2	5
1201 to 3200	50	3	6
3201 to 10000	80	5	8
10001 to 35000	125	7	10

Meter Testing Program:

There are three test schedule programs: statistical sampling, periodic intervals, and mileage/volume testing. Statistical sampling is used for domestic and intermediate meters. Periodic intervals testing is used for any meter over 1000 cfh capacity and all instruments. Mileage/volume testing is used for the largest commercial Customers.

Statistical Sampling

The statistical sampling program is derived from the ANSI/ASQ Z1.9: Sampling Procedures and Tables for Inspection by Variables for Percent Nonconforming, Double Specification Limit, Variability Unknown –

Standard Deviation Method, Normal Inspection: Level II, and Acceptable Quality Level (AQL) 10 for Upper and Lower Specification Limit. The plan predicts that 90% of each sample lot which passes inspection will fall within the acceptance accuracy limits of $\pm 2\%$ on the average test.



APPENDIX A

BLACK HILLS ENERGY NATURAL GAS METER TESTING PROGRAM – CONTINUED

Statistical Sampling - Continued

Meters are grouped into homogenous groups or lots determined by manufacturer, type, size and years in service. Meters are randomly selected from each lot. Sampling begins the fifteenth year for domestic meters and the tenth year for intermediate meters. The minimum lot size is three meters. The minimum sample size is three meters except for rejected lots.

If a sample lot fails to test within guidelines, it will be removed from service over the next five years and tested according to the sampling procedures under this program. If the failed sample lot subsequently tests within acceptable criteria stated above, the five-year removal process is halted, and meters are returned to normal inspection the following year.

Periodic Intervals

The periodic interval program provides for a fixed interval test. The interval varies according to past historical meter test data. The plan is reviewed annually. Meters that do not register or do not pass gas are evaluated separately. The plan is then modified to reflect changes in meter performance.

Mileage/Volume Testing

The mileage/volume test program is supplemental to the periodic interval test program for large commercial Customers. This program is based on the average monthly corrected gas volume passed through the metering site as summarized below. The testing frequency is based on volumes used rather than by specific equipment, such as rotary, turbine, orifice, etc. When performing the mileage/volume testing, the technician tests all measurement equipment at the site including the meter, instrument, and flow computer, if applicable. A complete, corrected volume comparison is necessary and used as a means to ensure the equipment is calculating properly. The complete, corrected volume comparison is accomplished by clocking the meter and applying the correct temperature and pressure factors then comparing the read out to the corrected volume showing on the instrument or by utilizing a specialized software program.

Measured Monthly Corrected Volume	Test / Inspection Frequency
0 to 10,000 MCF	Periodic interval test
10,001 to 50,000 MCF	12 months
50,001 or higher MCF	6 months



APPENDIX A

BLACK HILLS ENERGY NATURAL GAS METER TESTING PROGRAM - CONTINUED

Summary of Testing Programs:

Mechanical Meter Type

Residential 0-500 cfh Diaphragm
Intermediate 501-1000 cfh Diaphragm
Large Volume 1001-10,000 cfh Diaphragm
Rotary Meters
Turbine Meters
Orifice Meters
Instruments

Test Frequency

Sample testing starting at 15 yrs
Sample testing starting at 10 yrs
Periodic interval test every 5 yrs
Periodic interval test every 7 yrs
Periodic interval test every 1 yr
Periodic interval test every 1 yr
Electronic and Mechanical Periodic interval
test every 1 yr

Mileage testing overrides the above frequency. See Mileage testing above.

Meter Accuracy

Residential and commercial meters are calibrated to $\pm 1\%$ and are considered accurate for billing purposes if they register within $\pm 2\%$ under test conditions in accordance with state and local Rules and Regulations.

Meter Test Equipment

The Company provides testing equipment as necessary to comply with applicable Commission Rules. Equipment to be used as a reference or test standards is certified a minimum of every five years by an outside vendor and calibrated with an instrument that is traceable to the National Institute of Standard and Technology. Reference or test standard equipment shall have a higher degree of accuracy than the equipment being calibrated and is only used for calibration purposes. Meter test equipment is kept in a temperature stable environment and maintained according to manufacturer recommendations. Current Certificate of Calibration and Testing documents remain on file in the Meter Lab. Calibrating meters will equate a cubic foot of gas with the amount of gas that occupies one cubic foot, dry, at 60 degrees Fahrenheit at 14.73 PSIA. All meter calibration equipment shall bear the last calibration date.



APPENDIX A

BLACK HILLS ENERGY NATURAL GAS METER TESTING PROGRAM - CONTINUED

Testing Equipment and Certification Frequency Intervals:

BELL PROVER (primary standard) – not to exceed two years. Bottled or strapped according to industry standard and traceable to NIST.

SNAP PROVER (secondary standard) – not to exceed two years. Calibrated against the Bell Prover that is directly traceable NIST. Test meters certified every two years and ran across prover weekly and logged.

TRANSFER PROVER (secondary standard) – not to exceed five years. Test meters certified every two years and ran across prover quarterly in a shop environment and logged.

TURBINE MASTER METER ON PROVER (secondary standard) - not to exceed five years

DEAD WEIGHT TESTER (primary standard) –certified annually in WY. Not to exceed 5 years in other states.

THERMOMETER – certified annually by NIST certified lab.

DRY LEAK TESTER – not to exceed three years.

ROTARY DIFFERENTIAL GAUGE (secondary standard) – certified annually against manometer, PK tester or Electronic gauge with NIST traceable certifications.

ELECTRONIC GAUGE USED BY FIELD MEASUREMENT – certified annually by NIST certified lab or certified dead weight tester.

OTHER GAUGES – tested and calibrated annually with a NIST certified gauge according to category specifications (3A, 2A, 1A) or with a dead weight tester.

PK TESTER – certified annually by NIST certified lab.

RTD (Resistance Temperature Detector) Simulator - certified annually by NIST certified lab

Additional Monitoring and Information

All in-service meters are monitored monthly for Customer usage abnormalities through Customer billing system exception reporting.

Meters returned from service that are to be re-deployed will be tested and reviewed for trends that may lead to additional testing or monitoring. Meters that are outside the acceptable operating standards will be retired from service.