



WinterGuard Natural Gas Rate, Terms and Conditions

This Agreement sets forth all the applicable terms and conditions with respect to Customer's WinterGuard® bill for the term of Customer's subscription. Customer acknowledges that this document is a binding and enforceable contract and that it will become effective when Customer subscribes to WinterGuard service.

General Terms.

Customer's monthly payment for all of Customer's natural gas usage will be the amount confirmed to Customer at the time Customer subscribed to WinterGuard service. The amount Customer will be required to pay for natural gas for WinterGuard service will not increase or decrease based on variations in weather conditions or changes in natural gas market prices. BHES reserves the right to alter Customer's WinterGuard monthly payment based on any material change in Customer's usage of natural gas, such as increased usage due to additions or extensions, new equipment, leaks from Customer's gas piping or appliances, discontinuing supplemental heat sources (such as wood stoves) and other additional heating demands, or if the utility or the pipeline upstream of the utility subsequently adds or changes any charges or any governmental authority adds or increases taxes or surcharges, or allows for the imposition of a tax, surcharge, fee or other charge. Customer agree to provide BHES with advance written notice of any such anticipated changes. BHES will provide written notice of the alteration through Customer's bill and will provide the reason for the change upon request.

Changes in law or market structure.

If a change in or implementation of law, rule, regulation, ordinance, statute, judicial decision, administrative order, Utility tariffs, pipeline tariffs or the like causes our costs under this Agreement to increase, we will have the right to pass such increased costs on to Customer without prior notice. The changes described in this Section may change any or all of the charges described in this Agreement.

Term of Agreement and Payment Terms.

Customer will receive a bill for WinterGuard service beginning with the month in which Customer's gas meter is initially read and for each month of Customer's WinterGuard service. The WinterGuard contract period shall either be for a twelve (12) or twenty-four (24) month period starting with Customer's first billing month. Customer agrees to pay BHES the amount shown on each WinterGuard bill on or before the due date and in the manner shown in each bill, plus any fees if any, on Customer's balance in United States dollars, according to the Terms and Conditions of this Agreement.



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Errors and Questions Regarding Customer's WinterGuard service.

Customer shall notify BHES in case of errors or questions about Customer's WinterGuard service. If Customer thinks Customer's WinterGuard bill, or any adjustment thereto, is wrong, or if Customer needs more information about Customer's WinterGuard bill, Customer must contact BHES at Black Hills Energy Services Company, 610 Central Avenue, Kearney, NE 68847 as soon as possible. Customer may also contact the customer service location at the telephone or address stated on Customer's bill. However, no action may be taken by Black Hills Energy Services Company until it receives a written notice.

BHES must hear from Customer no later than 60 days after Customer's WinterGuard bill is sent on which the error or problem appeared. In Customer's letter, please provide this information: (1) Customer's full name and account number; (2) the dollar amount of the suspected error; (3) a description of the error; (4) an explanation of why Customer believes there is an error; and (5) if Customer needs more information, describe the item Customer is not sure about. BHES will acknowledge Customer's letter within thirty (30) days, unless BHES has corrected the error by then. Within ninety (90) days, BHES must either correct the error or explain why BHES believes the WinterGuard bill was correct. After BHES receives Customer's letter, BHES will not attempt to collect any amount Customer disputes in good faith, or report Customer as delinquent to any credit rating agencies. BHES can continue to bill Customer for the amounts Customer disputes and BHES can apply any unpaid amount against Customer's WinterGuard current and future bills. Customer does not have to pay any disputed amounts while BHES is investigating the disputed charges, but Customer is obligated to pay the parts of Customer's outstanding balance that are not in question or dispute.

If BHES finds that BHES did not make a mistake on Customer's monthly statement, then Customer agrees to make up any missed payments on the questioned amount. In either case, Customer will be sent a WinterGuard bill of the amount Customer owes and the date that amount it is due. If Customer does not pay the amount that BHES believe is due, BHES may report Customer as delinquent. However, if BHES's explanation does not satisfy Customer and Customer writes to BHES within ten (10) days telling BHES that Customer still refuses to pay, BHES must tell anyone to whom Customer are reported as delinquent, that Customer has a pending question about Customer's WinterGuard bill, and, BHES must tell Customer the name of anyone to whom BHES reported Customer as delinquent. When the matter is finally resolved, BHES must tell anyone to whom BHES previously reported Customer as delinquent, that the matter has been resolved.



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Events of Default.

Customer will be in default under this Agreement if any of the following events occur: (a) if Customer does not comply with the payment terms or any other Terms or Conditions of this Agreement or any Terms or Conditions of any other obligation Customer has or will have with BHES or any of our affiliates; (b) if a petition should be filed or other proceedings should be started under the Federal Bankruptcy Code or any state insolvency statute by or against Customer; (c) if a receiver should be appointed or a writ or order of attachment, levy, or garnishment should be issued against Customer or any of Customer's property, assets, or income; (d) if BHES considers any debts due under this Agreement unsafe or not completely secure, or if BHES believes, in good faith, that the chances of Customer's paying or performing all of Customer's obligations under this Agreement have been impaired; or (e) Customer fails to inform BHES on material changes in Customer's natural gas usage; (f) move during the term of this agreement. BHES has the right to terminate this Agreement in the event of default, other than for non-payment as described in the errors and questions paragraph.

Cancellation.

Customer may cancel this Agreement by sending a letter to BHES requesting that BHES discontinue providing Customer with WinterGuard service. However, Customer will be subject to an exit fee, and Customer's obligations under this Agreement and any changes made under it prior to cancellation will continue to apply until Customer has paid BHES all amounts due hereunder. If Customer seeks to cancel this Agreement or if BHES canceled this Agreement, Customer will be responsible for all outstanding WinterGuard amounts (which, for customers who have moved out, will be prorated based on the number of days since the last meter reading) plus an exit fee, and the customer will be put on the default Fixed Rate per therm and billed for actual use starting with the last meter read date. For customers who do not inform BHES of material changes in natural gas use, to the extent the cost of Customer's actual consumption of gas exceeds the aggregate amount Customer was charged on Customer's WinterGuard bills from inception through cancellation of this Agreement, BHES reserve the right to bill Customer for the difference plus the applicable termination fee. The exit fee shall be \$120.00 and it shall be billed for all types of WinterGuard terminations occurring after the first October of the contract term.

LIMITATION OF LIABILITY; DISCLAIMER OF WARRANTIES.

BHES IS NOT LIABLE FOR, AND CUSTOMER EXPRESSLY WAIVES, ANY AND ALL DAMAGES RESULTING FROM THE PROVISION OR FAILURE TO PROVIDE NATURAL GAS, INCLUDING WITHOUT LIMITATION ECONOMIC LOSS, PERSONAL INJURIES, PROPERTY DAMAGE, OR INDIRECT, INCIDENTAL, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES. BHES MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WITH



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RESPECT TO ANY SERVICE, EQUIPMENT, OR COMMODITIES WHATSOEVER, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. This Agreement does not deprive Customer of any rights Customer may have against any party other than us.

Transfer.

Customer may not transfer or assign this Agreement to any other person, and any such transfer or assignment shall be void.

Change of Address.

Customer agrees to advise BHES promptly if Customer changes Customer's mailing address. All written notices and statements from BHES to Customer will be considered given when placed in the United States mail, postage prepaid, and addressed to Customer at Customer's current address as it appears in our records.

Amendments.

BHES may change any part of this Agreement at any time if BHES gives Customer notice of the change. If BHES make a change that BHES consider to be material and Customer does not wish to accept the material change, Customer may terminate the WinterGuard service by giving BHES 30 days' notice, in which case Customer will not be subject to an exit fee. A material change does not include, among other things, increases in or the imposition of any charge required to be collected by any governmental authority, such as taxes or surcharges, or any charge not prohibited by any governmental authority to recoup our expense incurred to comply with a governmental requirement.

Other provisions.

Customer's WinterGuard service has been applied for, considered and issued in the states of Nebraska and Wyoming. Customer agrees that this Agreement shall be governed by and interpreted under state or federal law where the service is provided. If any part of this Agreement is not valid, all other parts will remain enforceable.