

456035

Enron Power Marketing, Inc.
P.O. Box 4428
Houston, Texas 77210-4428
(FAX) (713) 646-2491

December 1, 2000

Black Hills Pepperell Power Associates, Inc.
1075 Noel Ave.
Wheeling, IL 60090

Fax No. 847-459-4140

CONFIRMATION AGREEMENT
(Tolling)

This confirmation agreement ("Confirmation Agreement") shall confirm the agreement reached on December 1, 2000, (the "Trade Date") between Black Hills Pepperell Power Associates, Inc. ("Black Hills" or "Seller") and Enron Power Marketing, Inc. ("EPMI" or "Buyer") regarding a "tolling" transaction whereby EPMI has the exclusive right to dispatch Black Hill's Pepperell Facility ("Facility") and receive from Black Hills Firm (LD) Energy under the terms and conditions that follow. EPMI and Black Hills have entered into a Master Power Purchase and Sale Agreement dated December 1, 2000, ("Master Agreement"), which shall govern this Transaction. Notwithstanding any contrary provisions in the Master Agreement, in the event of any conflict between this Confirmation Agreement and the Master Agreement, the terms of this Confirmation Agreement shall control.

The Transaction. During the Term of this Confirmation Agreement, EPMI shall have the exclusive right (except as further described in Part I, Section 3) to dispatch the Energy Quantity of the Facility. During the Term of this Confirmation Agreement, EPMI and Black Hills agree that EPMI has no right to energy, if any, in excess of the Energy Quantity agreed upon pursuant to the terms set forth herein. If EPMI properly schedules the delivery of energy from the Facility ("Dispatch"), the energy to be supplied by Black Hills shall be "Firm (LD)". The terms of EPMI's purchase of Firm (LD) energy from the Facility are further set forth in Part I, Energy Deliveries. In partial consideration of EPMI's right to Dispatch and receive Firm (LD) energy from the Facility, EPMI agrees that EPMI shall provide or otherwise pay for the fuel necessary to produce the amount of Firm (LD) energy Dispatched by EPMI. Black Hills represents and warrants that the Facility is capable of operating at the Guaranteed Heat Rate set forth below. The terms of EPMI's supply of fuel are further set forth in Part II, Fuel Deliveries. In further consideration of EPMI's right to Dispatch the Facility, EPMI shall pay Black Hills the amounts set forth in Part III, Payments/Other Terms. Part III also sets forth other terms of this Transaction.

Transaction Terms

Seller: Black Hills

Buyer: EPMI

Term: January 1, 2001 – December 31, 2001
Hour Ending (HE) 0100 through HE 2400 (24 Hours each day);
Eastern Prevailing Time (EPT)

Type of
Commodity: Firm (LD) Energy

Facility: The Black Hills-Pepperell Facility located in Pepperell, Massachusetts

Energy Rights: 35 MW during the months of January through April 2001 and the months of November through December 2001;
30 MW during the months of May through October 2001

Energy Quantity: EPMI has the right to Dispatch and receive up to the following amounts of Firm (LD) Energy:
- 35 MWs per hour during the months of January through April 2001, and the months of November through December 2001;
- 30 MWs per hour during the months of May through October 2001

Delivery Point(s): NEPOOL PTF

Fixed Tolling Premium: \$7.00/kW-month, multiplied by the applicable Energy Rights

Variable Tolling Fee: \$1.95/MWh, for each MWh of Energy Dispatched by Buyer and delivered by Seller in accordance with the terms of this Transaction

Scheduling: EPMI Real Time Operations: 1-800-684-1336

Part I. ENERGY DELIVERIES

Conditions

1. Definitions.

"Firm (LD)" means, with respect to the Transaction, that either Party shall be relieved of its obligations to sell and deliver or purchase and receive without liability only to the extent that, and for the period during which, such performance is prevented by Force Majeure or as a result of Scheduled Maintenance Outages as provided for in Paragraph 4 of Part III of this Confirmation Agreement. Specifically with respect to Seller, in the event that the Facility is unavailable or unable in any hour for whatever reason to provide Buyer with all or any part of Buyer's requested Energy in accordance with EPMI's Dispatch (except if such unavailability or inability to provide the Dispatched energy is due to Buyer's failure to schedule and deliver sufficient oil or gas to the Gas Delivery Point or to request/arrange for use of backup fuel oil to accommodate its Dispatched energy from the Facility, in either case assuming a fuel requirement at the Guaranteed Heat Rate), then Seller shall be required to pay Buyer an amount equal to the sum of (1) the price at which Buyer is or would be able to secure replacement energy for the Firm (LD) Energy not delivered by Seller and (2) any penalties or costs (including transportation or other costs associated with resale of Buyer's gas) directly incurred by Buyer or any of its affiliates who may be supplying the applicable fuel (an "Affiliate Fuel Supplier") (as documented by invoices or other appropriate records) as a result of the Facility not being able to utilize the gas that Buyer had scheduled associated with its Dispatch (the "LD Amount"). In calculating the LD Amount, Seller shall be entitled to receive a credit for (1) the proceeds, if any, that Buyer secures by reselling the gas or oil not consumed at the Facility and (2) the Variable Tolling Fee.

In lieu of paying Buyer applicable LD Amount(s), Seller may provide Firm (LD) Energy from an alternative source than the Facility, so long as such replacement Firm (LD) Energy is delivered to the Delivery Point in the same quantity and timing as Buyer's requested Energy Dispatch from the Facility. In the event that Seller elects to provide Firm (LD) Energy from a source other than the Facility, Seller will be liable and pay for any costs incurred by Buyer, including but not limited to, any incremental electric transmission or related costs incurred as a result of Buyer receiving Firm (LD) Energy from a source other than the Facility, as well as any penalties or costs (including transportation or other costs associated with resale of Buyer's gas) directly incurred by Buyer or an Affiliate Fuel Supplier as a result of the Facility not utilizing the gas that Buyer had arranged to be delivered to the Facility associated with its requested Dispatch of the

Facility. If for any reason, Seller fails to deliver the replacement Firm (LD) Energy to Buyer, Seller shall be liable to Buyer for the LD Amount as calculated above.

"ISO-NE" means the New England Independent System Operator.

2. Buyer's Dispatch of the Facility. Buyer has the exclusive right to Dispatch Seller's Facility for the relevant Energy Quantity during the Term. Seller shall make or cause the Facility to be made available for Dispatch by Buyer for all hours during the Term except during Scheduled Maintenance Outages. The minimum Dispatch time of the Facility is six (6) consecutive hours from the beginning of any requested Facility Dispatch by Buyer. Notwithstanding the foregoing sentence, Buyer agrees that the start of any requested Dispatch by Buyer must provide for a Facility start up time not to exceed three hours if the Facility is not otherwise operating prior to the start of Buyer's requested Dispatch. In order to Dispatch the Facility, the Buyer must submit hourly energy bids and/or self-schedules (up to the applicable 35 or 30 MW per hour block) to Seller on day-ahead basis, with such bids/schedules to be provided to Seller not later than 11:00 am EPT so as to enable Seller to submit required bidding and scheduling information to the ISO-NE by the current 12:00 Noon EPT bidding deadline. The Facility may be started only one time per day. Seller is responsible for any and all expenses and costs required to start-up the Facility, including without limitation, all fuel expenses. In the event the bidding deadline for the Facility is made later in the day by the ISO-NE, the deadline for Buyer to Dispatch the Facility and provide the scheduling information to Seller shall also be modified to one (1) hour prior to ISO-NE bidding deadline. To the extent that ISO-NE Rules allow for Dispatch of Facility on a shorter-notice basis (e.g., 90 minutes ahead), Buyer shall be afforded the right to provide such short-notice Dispatch requests to Seller with as little notice to Seller as is necessary for Seller to coordinate such Dispatch with ISO-NE, with reasonable efforts on the part of Seller. In the case of a short-notice requested start-up of the Facility by Buyer, the minimum required notice by Buyer to Seller shall be deemed to be: (i) four (4) hours if the Facility is not already operating as a result of dispatch by Seller in accordance with Paragraph 3 of this Part I; or (ii) one (1) hour if the Facility is already operating in accordance with Paragraph 3 of this Part I. In the case of a short-notice requested shut-down of the Facility by Buyer, the minimum required notice by Buyer to Seller shall be deemed to be two (2) hours. Each hour Dispatched by Buyer must be for at least 30 MW, and the dispatch or bidding of any incremental energy above this 30 MW level by Buyer, to the extent Buyer has rights to such incremental energy in accordance with its Energy Rights, shall be in the form of a single 5 MW block. Buyer will be the sole beneficiary of any energy revenues, including any payments paid to the Facility by the ISO-NE (such as energy/congestion uplift payments), associated with Buyer's requested Dispatch of the Facility not to exceed the Energy Quantity.

3. Dispatch by Seller. In the event Buyer does not Dispatch any off-peak power (HE 0100 to HE 0700, and HE 2400) from the Facility, Seller shall have the right to run the Facility to mitigate next day start-up wear and tear. In such event, Buyer or an Affiliate Fuel Supplier will offer to provide the required gas volumes ("Seller's Gas") at the Gas Delivery Point, solely at the Seller's expense. In no event shall the dispatch by Seller pursuant to this Paragraph Three impede Buyer's right to Dispatch the Facility once per day as set forth in Paragraph Two above. Pricing for Seller's Gas will be provided day-ahead prior to 10:00 am EPT based on a daily index mutually agreed upon by Buyer and Seller. In any hour that Seller elects to run the Facility in accordance with this paragraph, Seller agrees to pay Buyer any positive difference between the NEPOOL Energy Clearing Price (in \$/MWh) less Buyer's energy bid price submitted by Seller to ISO-NE on Buyer's behalf for that hour (in \$/MWh), multiplied by the applicable energy quantity for that period during the Term.

4. Scheduling. Seller is responsible for bidding and/or self-scheduling the Facility with the ISO-NE in order to accommodate Buyer's requested Dispatch. Seller agrees that Buyer shall not be liable for any failure or error on the Seller's part in submitting the required information to the ISO-NE. Buyer agrees that Seller shall not be liable for any failure, error, or other action on the part of ISO-NE in connection with the scheduling of Buyer's Dispatch. Buyer agrees that it will communicate with Seller's scheduling coordinator on an as needed basis prior to each day to coordinate gas and energy scheduling for the following day.

PART II. FUEL DELIVERIES

1. Supply of the Gas.

(a) For each requested Dispatch of Firm (LD) Energy from the Facility by EPMI, EPMI shall provide at no charge to Black Hills all gas required to produce the requested Dispatched Quantity (based on the Guaranteed Heat Rate applicable for gas and the applicable Energy Quantity). All gas shall be delivered to the Colonial Citygate (the "Gas Delivery Point").

(b) In addition to supplying the gas required to produce Buyer's requested Energy Dispatch, EPMI or its Affiliate Fuel Supplier shall offer to provide gas requested by Black Hills for use in the start-up of the Facility and the operation of the auxiliary steam boiler at the same location. Black Hills shall notify EPMI at least one (1) week prior to the start of each month during the term, of the estimated quantity of gas it will need to supply the auxiliary boiler for the following month ("Monthly Gas"). Should Black Hills accept EPMI's or its Affiliate Fuel Supplier's offer to provide Black Hills' requested quantity of Monthly Gas, Black Hills will be required to take and pay for such quantity of Monthly Gas at a mutually agreed upon price quoted by EPMI or its Affiliate Fuel Supplier. Notwithstanding the foregoing, EPMI agrees that Black Hills may adjust its gas requirements on a day-ahead basis both for Facility start up and the auxiliary steam boiler ("Day-Ahead Gas Adjustments"). Black Hills must notify EPMI of its requested Day-Ahead Gas Adjustments not later than 10 AM EPT the Business Day prior to day of delivery, except as related to gas requirements that may arise associated with requested start-ups of the Facility by EPMI which are not then known to Black Hills. EPMI or its Affiliate Fuel Supplier agrees to buy gas ("Day-Ahead Gas Purchase") or sell gas ("Day-Ahead Gas Sale") from/to Black Hills on a day-ahead basis as required to accommodate Black-Hills' requested Day-Ahead Gas Adjustments. The price to be paid by EPMI or its Affiliate Fuel Supplier for Day-Ahead Gas Purchases shall be the *Gas Daily*, daily midpoint price for Dominion South Point, under the heading "Appalachia," as published on the flow date, minus \$0.10/mmBtu. The price to be paid by Black Hills for Day-Ahead Gas Sales shall be the *Gas Daily*, daily midpoint price for Algonquin citygate, under the heading "Citygates," as published on the flow date, plus \$0.10/mmBtu. In order for Black Hills to be able to balance its gas requirements at the Facility, EPMI or its Affiliate Fuel Supplier agrees to buy or sell gas from/to Black Hills on an intra-day basis ("Intra-Day Gas Purchase" and "Intra-Day Gas Sale", respectively), provided that the net quantity of EPMI's obligations with respect to Day-Ahead Gas Purchases, Intra-Day Gas Purchases, Day-Ahead Gas Sales, and Intra-Day Gas Sales for a given day shall not exceed 1,750 Mcf/day. The price to be paid by EPMI or its Affiliate Fuel Supplier for Intra-Day Gas Purchases or by Black Hills for Intra-day Gas Sales shall be at a mutually agreed upon price. All gas purchases and/or sales made by EPMI or its Affiliate Fuel Supplier in accordance with this Paragraph 1(b) shall be made at the Gas Delivery Point, and all gas sales made by EPMI or its Affiliate Fuel Supplier shall be made on a secondary-firm basis.

2. Alternative Fuel Supply. In lieu of supplying gas, EPMI shall have the right, at its option, to require Black Hills to utilize Black Hills' own on-site supply of Number 2 Fuel Oil (at a rate assuming the Guaranteed Heat Rate set forth below). If EPMI elects to have Black Hills supply Number 2 Fuel Oil, EPMI shall reimburse Black Hills the costs of the commodity, including transportation costs, incurred in producing Buyer's requested Energy Quantity based upon the applicable Guaranteed Heat Rate. Black Hills shall notify EPMI of the costs to supply the commodity before purchasing the commodity. If EPMI requires Black Hills to purchase the commodity on behalf of EPMI, EPMI shall reimburse Black Hills within five days of receiving an invoice for the costs of such commodity. Such costs shall not be reimbursed to the Escrow Account but shall be paid directly to Black Hills in order that it may pay its third party vendors. Alternatively, EPMI shall also have the right, in its sole discretion, to utilize Seller's own on-site inventory of oil, if any, provided that Buyer agrees to deliver to Black Hills an equal quantity of 0.3% sulfur Number 2 Fuel Oil at Buyer's own expense within 15 Business Days of Buyer's consumption of oil from Seller's own inventory. Oil usage shall be limited based on the on-site storage capability of 60 hours, and total annual oil dispatch limits of 800 hours, with Buyer's right to utilize oil up to these limits not to be constrained by Seller's own use of oil for the Facility or auxiliary boiler located at the same location. In any event, Buyer's right to utilize Seller's on-site inventory of oil shall only be available to the extent there is at least 16 hours of oil remaining in storage (as calculated using the applicable Energy Rights and a heat rate of 9,800 Btu/kWh).

3. Guaranteed Heat Rate. Black Hills assigns to EPMI a heat rate (high heating value) at the Facility ("Heat Rate") of 9,600 Btu/kWh when burning natural gas, and 9,800 Btu/kWh when burning Number 2 Fuel Oil. To the extent that the actual Heat Rate varies from these assigned levels, thus requiring more or less fuel to achieve the output levels requested by EPMI than would be required at the Guaranteed Heat Rate, Black Hills agrees that it shall either pay or otherwise

reimburse EPMI for any and all costs or penalties associated with any resulting fuel imbalances, surpluses or deficiencies and shall be liable for the Firm (LD) energy that the Facility is unable to produce, if any, as a result of the lack of fuel.

4. Fuel Interruptions. Black Hills agrees that it will assume all risk of interruption on the Colonial Gas Company ("Colonial") Local Distribution System ("Colonial System") between the Gas Delivery Point and Facility burner tip. In the event that gas transmission or distribution service is interrupted on the Colonial System for any reason, and EPMI has Dispatched the Facility, Black Hills agrees that it will either: (1) pay EPMI a monetary amount for any Energy Quantity not provided by Seller as a result of such interruption on the Colonial System, such monetary amount to be established in accordance with the definition of "LD Amount" in Paragraph 1 of Part I of this Confirmation Agreement; or (2) utilize the oil from its own fuel reserves ("Substitute Fuel") in order to maintain Buyer's requested energy Dispatch schedule. In the event that Seller selects the latter remedy, EPMI may either: (i) elect to procure oil, at its own expense, to replace any oil used by Black Hills and agree to deliver such replacement oil within 15 Business Days from the day on which oil is consumed from Black Hills' inventory; or (ii) elect to have Black Hills supply the oil. If EPMI elects to have Black Hills supply the oil, EPMI agrees that it will compensate Black Hills an amount defined by the lesser of (x) the actual costs of the Substitute Fuel, including transportation costs, or (y) the cash equivalent of the Substitute Fuel Price Index as published on the date the gas was to have been delivered to the Facility times the applicable amount of gas. The amount that EPMI shall pay Black Hills in accordance with the preceding sentence shall be less any penalties or costs (including but not limited to potential transportation costs associated with re-selling the gas) that EPMI or its Affiliate Fuel Supplier directly incurs as a result of Colonial not accepting EPMI's gas for delivery to the burner tip, as evidenced by invoices or other appropriate records. If EPMI elects to have Black Hills supply the Substitute Fuel, EPMI shall reimburse Black Hills for the applicable amounts as selected by EPMI pursuant to either (i) or (ii) within five Business Days of receiving an invoice for the costs of such Substitute Fuel. Such costs shall not be reimbursed to the Escrow Account but shall be paid directly to Black Hills. Notwithstanding any of the foregoing, in the event of a fuel interruption on the Colonial System, EPMI shall have the right, at its option, to require Black Hills not to dispatch the Facility for some or all of the hours during which such interruption occurs, in which case Black Hills will not be required to provide Energy or pay any LD Amounts for the hours for which EPMI has elected Black Hills not to dispatch the Facility.

"Substitute Fuel Price Index" means *Gas Daily* Citygates, midpoint Tennessee Zone 6 (delivered).

5. LDC Balancing Requirements. EPMI shall be responsible for balancing on the Colonial System for gas volumes associated only with its requested Facility dispatch. EPMI agrees to pay any penalties associated with EPMI's failure to take or deliver gas associated with its requested Dispatch of the Facility at the Guaranteed Heat Rates and applicable Energy Quantity, including without limitations imbalance charges, overpull or unauthorized overrun penalties. Such balancing will be in accordance with the terms and conditions set forth in the interruptible transportation agreement between Pepperell Power Associates Limited Partnership and Colonial, attached hereto as Exhibit A. Seller represents and warrants that the current balancing penalties on the Colonial System are no more than \$10/Mcf, and Seller agrees to pay any penalties which may be assessed to Buyer at a rate in excess of \$10/Mcf.

6. Scheduling.

- (a) EPMI or its Affiliate Fuel Supplier agrees that it will schedule the fuel requirements associated with EPMI's requested Dispatch of the Facility with the relevant parties in accordance with industry practice.
- (b) EPMI or its Affiliate Fuel Supplier agrees that it will be responsible for scheduling with Colonial under the terms of the aforementioned agreement contained in Exhibit A.
- (c) EPMI or its Affiliate Fuel Supplier will be responsible for a \$0.10/mmBtu variable transportation cost on the Colonial System for gas deliveries from the Gas Delivery Point to the Facility burner tip associated with EPMI's requested Dispatch of the Facility based on the Guaranteed Heat Rate.

Part III. PAYMENTS/OTHER TERMS

1. Escrow Arrangement.

- a) Payments. In consideration of the Transaction described herein, EPMI agrees to pay Black Hills a monthly Fixed Tolling Premium for the duration of the Term as well as the applicable Variable Tolling Fee. In accordance with the terms of the Master Agreement, EPMI shall render to Black Hills and the Escrow Agent a monthly invoice

setting forth all amounts due from EPMI to Black Hills for Energy deliveries for the preceding month and any other amounts due and owing under the Master Agreement. For payments due from EPMI to Black Hills in respect of the months from January 2001 to and including August 2001 (hereinafter referred to as the "Escrow Period"), EPMI shall deposit or cause to be deposited the net payment due and owing to Black Hills on a monthly basis into an interest bearing account (the "Escrow Account") with La Salle Bank N.A. (the "Escrow Agent"). All amounts deposited into the Escrow Account together with any interest accrued thereon shall be deemed the escrowed funds (the "Escrowed Funds"). The Escrow Agent shall provide notice to Black Hills and EPMI as to the amounts deposited with it. The Escrow Agent shall hold the Escrow Account in its possession in accordance with the Escrow Agreement which is attached as Exhibit B (which shall promptly be negotiated in good faith between the parties). The Escrow Agreement shall provide provisions for the disbursement of the Escrowed Funds in accordance with the provisions set forth in paragraph (b) below. To secure its obligations under the Master Agreement, Black Hills shall grant to EPMI a present and continuing security interest in, and lien on (and right of setoff against), and assignment of, all cash held in the Escrow Account and any and all proceeds resulting therefrom or the liquidation thereof, whether now or hereafter held by the Escrow Agent, on behalf of, or for the benefit of, EPMI, and Black Hills shall agree to take such action as EPMI reasonably requires in order to perfect EPMI's first-priority security interest in, and lien on (and right of setoff against), such collateral and any and all proceeds resulting therefrom or from the liquidation thereof.

b) Disbursements from the Escrow Account. The Escrow Agreement shall provide that the Escrowed Funds shall be disbursed by the Escrow Agent in accordance with the following terms:

1. Event of Default by Black Hills. If on or before September 20, 2001, an Event of Default occurs pursuant to Section 5.1 of the Master Agreement where EPMI is the Non-Defaulting Party, EPMI shall notify Black Hills and the Escrow Agent of such and the Escrow Agent shall, upon receipt of an officer's certificate from EPMI stating that an Event of Default pursuant to Section 5.1 of the Master Agreement has occurred and is continuing, disburse to EPMI all Escrowed Funds then held by the Escrow Agent. (For the avoidance of doubt, EPMI need not designate an Early Termination Date in order to receive the Escrowed Funds.) EPMI shall apply the proceeds of the Escrowed Funds to reduce Black Hill's obligations, if any, under the Master Agreement (with Black Hills remaining liable for any amounts owing to EPMI after such application). Any surplus proceeds (hereinafter referred to as "Surplus") shall be held by EPMI as collateral to secure Black Hills' obligations in respect of the remaining Term of the Transaction. The Surplus shall be held by EPMI through December 31, 2000, and shall be returned, less any additional amounts due EPMI in respect of any outstanding obligations owed by Black Hills under the Master Agreement, no later than January 12, 2001. The Surplus shall be repaid with interest at the daily Federal Funds Overnight Rate as set forth in The Wall Street Journal. Notwithstanding the foregoing, Black Hills reserves the right to contest whether the amounts EPMI states are due and owing but unpaid by Black Hills.

2. An Early Termination Date called by Black Hills. Upon or at any time after the occurrence of an Early Termination Date on or before September 20, 2001, where Black Hills is the Non-Defaulting Party, Black Hills shall notify EPMI and the Escrow Agent of such and the Escrow Agent shall, upon receipt of an officer's certificate from Black Hills that an Early Termination Date pursuant to Section 5.2 has occurred, disburse to Black Hills all Escrowed Funds then held by the Escrow Agent, unless within five (5) Business Days after EPMI's receipt of Black Hill's notification and requested disbursement pursuant to this section, the Escrow Agent receives notice from an officer of EPMI that EPMI believes that pursuant to Article 5 of the Master Agreement that certain amounts are due and payable from Black Hills to EPMI. The undisputed portion of the Escrow Funds, if any, shall be disbursed to Black Hills. With regard to the disputed portion, if EPMI timely sends such notice to the Escrow Agent, the disputed portion of the Escrowed Funds shall remain in the Escrowed Account until either (a) the Escrow Agent receives an officer's certificate from both Black Hills and EPMI which sets forth a mutual agreement as to the distribution of such Escrowed Funds, in which case such funds shall be disbursed in accordance with the written instructions contained therein or (b) a party presents a written determination of the arbitrators as to the final resolution of the amounts due and owing to the parties as a result of the Early Termination Date pursuant to the arbitration proceeding conducted in accordance with the terms of the Master Agreement.

With regard to this paragraph 2 and in conjunction with Section 5.5 of the Master Agreement, if EPMI is the Defaulting Party and if EPMI disputes Black Hill's calculation of the Termination Payment, EPMI shall have the right to contest the calculation as set forth in Section 5.5 but if Black Hills calculates that the Termination

Payment is due from EPMI, EPMI shall transfer Performance Assurance to Black Hills in an amount equal to the amount by which the Termination Payment exceeds the disputed Escrowed Funds.

Notwithstanding this Section 2, if at any time Black Hills becomes Bankrupt (as such term is defined in Section 1.3 of the Master Agreement), EPMI shall have the right, upon notice to Black Hills and the Escrow Agent, to immediately have the Escrow Agent disburse to EPMI all the Escrowed Funds then held by the Escrow Agent.

3. Termination of the Escrow Agreement after September 20, 2001. Unless the Escrowed Funds are required to be held by the Escrowed Agent pursuant to Section 2 above or are otherwise required to be disbursed pursuant to Section 1 and/or 2 above, all funds remaining in the Escrowed Account after September 20, 2001, shall be automatically disbursed to Black Hills and the Escrow Agreement shall thereafter be terminated and EPMI shall be obligated to make payments otherwise required under the Master Agreement directly to Black Hills.

2. Additional Representations. Black Hills represents that as of the Trade Date, it has provided EPMI with true and accurate information relating to Facility availability and dispatch from the period starting June 1996 through and including September 2000, and represents that to the best of its knowledge no major maintenance overhauls will be needed at the Facility at any time during the year 2001.

3. Business Day Convention. With respect to the gas price indices referenced in paragraph 1(b) of Part II and the Substitute Fuel Price Index referenced in paragraph 4 of Part II, if the day for determining such price is a day which is not a Business Day, then the price shall be determined using the first following Business Day. However, if the NYMEX gas futures contract is not traded on such first following Business Day, then the price shall be determined using the next day that the NYMEX gas futures contract is traded.

4. Scheduled Maintenance Outages. EPMI agrees that during the Term of this Confirmation Agreement, Black Hills may schedule up to five twenty-four hour periods to perform scheduled maintenance of the Facility ("Scheduled Maintenance Outages"). However, Black Hills agrees to use best efforts to plan such scheduled maintenance to occur during the months of March, April, October, or November, recognizing however that unexpected maintenance needs at the Facility may preclude Black Hills from using its discretion to limit planned maintenance to these months. In any event, Black Hills shall use best efforts to provide EPMI with thirty days' prior written notice (but in no case less than 10 days) of any proposed Scheduled Maintenance Outage including the date and the length of such Scheduled Maintenance Outage. If EPMI objects to the date of such Scheduled Maintenance Outage, it may propose in writing within five days of the date of the notice of the proposed Scheduled Maintenance Outage, an alternative date provided that such alternative date is within 30 days of the proposed Scheduled Maintenance Outage. If the alternative date is agreeable to and approved by Black Hills (such approval shall not be unreasonably withheld) the Scheduled Maintenance Outage shall be rescheduled to occur on such date. Notwithstanding the above, Black Hills agrees to use best efforts to accommodate any subsequent requests by EPMI to modify a previously mutually agreed upon Scheduled Maintenance Outage period with notice by EPMI of as little as one day prior to the previously agreed upon Scheduled Maintenance Outage, provided that EPMI agrees to pay any reasonable expenses that Black Hills will incur as a result of Seller accommodating Buyer's requested change to the Scheduled Maintenance Outage. For purposes of the preceding sentence, the expenses that Buyer would be required to pay Seller would be based on a quote of such expenses to be provided by Seller to Buyer as soon as is practicable from the time Buyer requests Seller to modify the timing of the previously agreed upon Scheduled Maintenance Outage. These costs as quoted by Seller shall constitute the full extent of Buyer's obligations with respect to the costs associated with Seller accommodating Buyer's requested change to the Scheduled Maintenance Outage. Seller shall not be required to accommodate Buyer's requested changes to a previously mutually agreed upon Scheduled Maintenance Outage if to do so would cause undue risk of physical damage to the Facility or excessively delay the remedial works which were scheduled to take place during the Scheduled Maintenance Outage. Any extension of a Scheduled Maintenance Outage beyond periods mutually agreed upon in accordance with the above terms shall be considered a forced outage of the Facility and shall obligate Seller to pay Buyer any applicable LD Amount(s) for such period(s) beyond the agreed upon Scheduled Maintenance Outage.

5. Notices to EPMI.

All Notices and Correspondence to EPMI in respect of this Transaction shall be sent to:

Real Time Operations: EPMI Real Time Operations: 1-800-684-1336

All Gas Scheduling Issues: Jim Homco Tel: (713) 853-7898

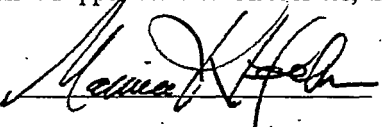
All Energy Scheduling Issues: Gerald Gilbert Tel: (713) 853-3932

Notices to Black Hills. All Notices and Correspondence to Black Hills in respect of this Transaction shall be sent to:

David Mousseau Tel: (630) 482-2451/ Fax: (630) 482-2452

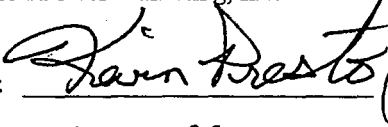
Please confirm that the terms stated herein accurately reflect the agreement reached on December 1, 2000, between you and Enron Power Marketing, Inc. by returning an executed copy of this letter by facsimile to Enron Power Marketing, Inc. at (713) 646-2491. Your response should reflect the appropriate party in your organization who has the authority to enter into this transaction. If you have any questions please call (713) 853-1886.

Black Hills Pepperell Power Associates, Inc.

By: 
Name: Maurice Klefeker

Title: Vice President

Enron Power Marketing, Inc.

By:  (LG-SSS)
Name: KEVIN PRESTO

Title: VICE PRESIDENT