means employment at a level of base pay at least equal to the Business Employee's base pay in effect immediately prior to the Closing Date, and with a primary work location no more than fifty (50) miles from the Business Employee's primary work location immediately prior to the Closing Date; provided, however, that with respect to any Business Employee who is covered by a Collective Bargaining Agreement or Successor Collective Bargaining Agreement, the Qualifying Offer shall be on terms and conditions set forth in the Collective Bargaining Agreement, Successor Collective Bargaining Agreement or, if applicable, a new collective bargaining agreement negotiated by Buyer or the Companies covering such employee. Each Business Employee who becomes employed by either of the Companies pursuant to this Section 8.8(a) is referred to herein as a "Transferred Employee." Each Transferred Employee who is covered by a Collective Bargaining Agreement or a Successor Collective Bargaining Agreement shall be referred to herein as a "CB Transferred Employee," and each Transferred Employee who is not covered by a Collective Bargaining Agreement or a Successor Collective Bargaining Agreement shall be referred to herein as a "Non-CB Transferred Employee."

(b) All offers of employment made by Buyer with respect to employment by either of the Companies pursuant to Section 8.8(a) will be made in accordance with all applicable Laws, will be conditioned only on the occurrence of the Closing, and will remain open until the Closing Date. Any such offer which is accepted before it expires will thereafter be irrevocable, except for good cause. Following acceptance of such offers, Buyer will provide written notice thereof to Seller and Seller will, or Parent will cause Seller's successor to, provide Buyer and the Companies with access to the Transferred Employee Records consistent with applicable Law. Buyer will, and will cause the Companies to, be responsible for all liabilities and obligations for and with respect to any Business Employees who do not become Transferred Employees including (i) pursuant to Exhibit 8.8(d)(ii)(C), (ii) due to retirement by such employee after the date hereof and prior to Closing, (iii) severance benefits which become payable to such Business Employee upon any termination of such Business Employee's employment on or following the Closing Date, and (iv) the benefits described in Section 8.8(d)(ii)(D), but not including liabilities and obligations with respect to insured welfare benefits provided to such Business Employee for periods prior to the Closing Date. Without limiting the obligations of Buyer or the Companies hereunder, the employment of each Business Employee who does not become a Transferred Employee as of the Closing shall be terminated immediately following the Closing by Seller or the applicable Affiliate of Seller.

(c) From and after the Closing Date, Buyer will cause the Companies to recognize the union locals that are the counterparties to Seller under the Collective Bargaining Agreements or any Successor Collective Bargaining Agreements entered into in compliance with Section 8.1(a) (the "Locals") as the exclusive bargaining representatives of the bargaining units that include CB Transferred Employees. No later than twenty (20) Business Days prior to the Closing Date, Buyer will negotiate and reach agreement with each Local on the terms and conditions of a new collective bargaining agreement to be effective from and after the Closing Date with respect to the applicable bargaining unit represented by such Local (each such agreement being referred to as a "New CBA"). Should Buyer fail to successfully negotiate a New CBA with a Local at least twenty (20) Business Days prior to the Closing Date, then at the Closing, Seller will cause the Companies to assume the existing Collective Bargaining Agreement or, as applicable, Successor Collective Bargaining Agreement entered into in compliance with Section 8.1(a), to the extent applicable to the bargaining unit represented by such Local and to the

extent consistent with applicable Law; provided that the Companies shall not assume any of the Benefit Plans (but may receive assets to be transferred from such plans pursuant to Exhibit 8.8(d)(ii)(C)), and Buyer will, or will cause the Companies to, instead provide benefits of the type and amount described in the existing Collective Bargaining Agreements or Successor Collective Bargaining Agreements entered into in compliance with Section 8.1(a), as applicable, through Buyer's or the Company's own benefit plans and arrangements. Buyer agrees that (i) upon request by Seller, Buyer will notify Seller of the status of negotiations with each Local, and (ii) no later than nineteen (19) Business Days prior to the Closing Date, Buyer will notify Seller whether a New CBA has been successfully negotiated with such Local.

(d) The following will be applicable with respect to the Transferred Employees, Business Employees, Current Retirees, and Other Plan Participants as appropriate. For all purposes of this Section 8.8, determinations as to whether any individuals are "similarly situated" shall be made by Buyer in its reasonable discretion.

(i) From and after the Closing, the Transferred Employees will accrue no additional benefits under any Benefit Plan or any other employee benefit plan, policy, program, or arrangement of Seller, Parent or their respective Affiliates.

(ii) As of the Closing, with respect to the CB Transferred Employees, Buyer will, or will cause the Companies to, provide benefits of the type and amount described in the relevant collective bargaining agreements through Buyer's or the Companies' own benefit plans and arrangements. As of the Closing and extending through December 31 of the calendar year following the calendar year in which the Closing occurs, Buyer will cause the Non-CB Transferred Employees to be covered by Buyer or Company benefit plans that provide compensation and employee benefits (excluding (i) equity or equity based compensation, and (ii) change in control, severance or retention payments) that are no less favorable in the aggregate than provided to the Non-CB Transferred Employees immediately before the Closing; provided, that in determining the timing, amount and terms and conditions of equity compensation and other incentive awards to be granted to Non-CB Transferred Employees, Buyer will treat in a substantially similar manner Non-CB Transferred Employees and similarly situated other employees of Buyer (including by reason of job duties and years of service). The commitments under this Section 8.8(d)(ii) require the following with respect to the Non-CB Transferred Employees and, to the extent not addressed in the relevant collective bargaining agreement, the CB Transferred Employees:

(A) With respect to welfare benefit plans, Buyer agrees to waive or to cause the waiver of all restrictions, limitations or exclusionary periods as to pre-existing conditions, actively-at-work exclusions, waiting periods and proof of insurability requirements (to the extent allowable under Buyer's welfare benefit plans and insurance policies) for the Transferred Employees to the same extent waived or satisfied under the corresponding Benefit Plans. With respect to the calendar year in which the Closing Date occurs, all eligible expenses incurred by any such employees or any eligible dependent thereof, including any alternate recipient pursuant to qualified medical child support orders, in the portion of the calendar year preceding the Closing Date that were qualified to be taken into account for purposes of satisfying any deductible, co-insurance or out-of-pocket limit under any Seller Benefit Plan will be taken into account for purposes of satisfying any deductible, co-insurance or

out-of-pocket limit under similar plans of Buyer or the Companies for such calendar year. As soon as practicable, but in no event later than sixty (60) days after the Closing Date, Seller will, or Parent will cause Seller's successor to, provide Buyer and the Companies with all relevant information necessary or reasonably requested by Buyer or the Companies for purposes of administering this provision, consistent with applicable Law.

(B) With respect to service and seniority, Buyer and the Companies will recognize the service and seniority of each of the Transferred Employees recognized by Seller for all material purposes, including the determination of eligibility and vesting, the extent of service or seniority-related welfare benefits, and eligibility for and level of retiree health benefits, but in any event not for purposes of determining the accrual of pension benefits and levels of pension or other retirement income benefits.

(C) The Parties will comply with the provisions set forth on Exhibit 8.8(d)(ii)(C).

(D) Buyer will or will cause the Companies to assume all liabilities, obligations, and responsibilities with respect to providing post-retirement health and life insurance benefits arising under or pursuant to existing plans and agreements of Seller ("Post-Retirement Welfare Benefits") to (i) the persons listed on Schedule 8.8(d)(ii)(D) and any Business Employee who retires between the date hereof and the Closing Date (such listed persons and such Business Employees, the "Current Retirees"), and their spouses and eligible dependents, and (ii) the Business Employees (together with the Current Retirees, the "Covered Individuals") and their spouses and eligible dependents. From and after the Closing, Buyer will or will cause the Companies to continue to provide to the Covered Individuals Post-Retirement Welfare Benefits that, in material respects, are comparable to in the aggregate those Post-Retirement Welfare Benefits provided to such Covered Individuals immediately prior to the Closing Date, under cost-sharing structures that either are at least as favorable as the cost-sharing structures in effect for and available to the Covered Individuals immediately prior to the Closing Date (as adjusted for inflation); provided that if Buyer or any of the Companies reduces or eliminates any Post-Retirement Welfare Benefits provided to Covered Individuals from such benefits that are available to such individuals under the terms and conditions of the existing plans and agreements of Seller applicable to such individuals as in effect on the date hereof, any liabilities arising in connection with such reduction or elimination shall be deemed an Assumed Obligation and Buyer will or will cause the Companies to be responsible therefor.

(E) With respect to the Aquila, Inc. Retirement Investment Plan (the "Savings Plan"), Seller will vest Transferred Employees in their Savings Plan account balances as of the Closing Date. Buyer will take all actions necessary to establish or designate a defined contribution plan and trust intended to qualify under Section 401(a) and Section 501(a) of the Code in which Transferred Employees are eligible to participate (x) to recognize the service that the Transferred Employees had in the Savings Plan for purposes of determining such Transferred Employees' eligibility to participate, vesting, attainment of retirement dates, contribution levels, and, if applicable, eligibility for optional forms of benefit payments, and (y) to accept direct rollovers of Transferred Employees' account balances in the Savings Plan, including transfers of loan balances and related promissory notes, provided that such loans would not be treated as taxable distributions at any time prior to such transfer.

(F) Within sixty (60) days after the Closing Date, Seller will, or Parent will cause Seller's successor to, transfer to a flexible spending plan maintained by the applicable Company, the Companies or Buyer any balances standing to the credit of Transferred Employees under Seller's flexible spending plan as of the day immediately preceding the Closing Date, net of any negative balances in the applicable accounts at such time. As soon as practicable after the Closing Date, Seller will, or Parent will cause Seller's successor to, provide to Buyer and the Companies a list of those Transferred Employees that have participated in the health or dependent care reimbursement accounts of Seller, together with (x) their elections made prior to the Closing Date with respect to such account and (y) balances standing to their credit as of the day immediately preceding the Closing Date. As of the transfer described in the first sentence hereof, the flexible spending plan maintained by the Companies or Buyer shall assume the rights and obligations of Seller's flexible spending plan with respect to the Transferred Employees for the remainder of the year in which such transfer occurs. For the avoidance of doubt, this paragraph shall not be construed to require a transfer with respect to any Transferred Employee of an amount in excess of such employee's unreimbursed contributions to the flexible spending plan as of the date of transfer.

(iii) With respect to severance benefits, Buyer will or will cause the Companies to provide to any Non-CB Transferred Employee who is terminated by Buyer or the Companies, as applicable (other than for cause), prior to the date which is one (1) year following the Closing Date, severance benefits comparable to those provided by Seller under Seller's severance plans and policies (other than any plans or policies with respect to stock options or other types of equity compensation) in effect immediately prior to the Closing Date. Any employee who is provided severance benefits under this Section 8.8(d)(iii) may be required to execute a release of claims against Buyer, Seller and their respective Affiliates and successors, in such form as Buyer or the applicable Company, reasonably prescribes, as a condition for the receipt of such benefits.

(iv) Parent will, or will cause Seller or its successor to, provide COBRA Continuation Coverage to any current and former Business Employees, or to any qualified beneficiaries of such Business Employees, who become or became entitled to COBRA Continuation Coverage on or before the Closing, including those for whom the Closing occurs during their COBRA election period. Buyer will and will cause the Companies to be responsible for extending and continuing to extend COBRA Continuation Coverage to all Transferred Employees (and their qualified beneficiaries) who incur a COBRA qualifying event and thus become entitled to such COBRA Continuation Coverage following the Closing.

(v) Without limiting the obligations of the Parties under Sections 8.8(d)(ii)(C) and 8.8(d)(ii)(D), Seller or its Affiliates will pay or cause to be paid to all Transferred Employees, all compensation (including any accrued vacation carried over to the calendar year of the Closing from a previous calendar year), workers' compensation or other employment benefits to which they are entitled or that have accrued under the terms of the applicable compensation or Seller Benefit Plans or programs with respect to employment or events occurring prior to the Closing Date; provided that if any of the CB Transferred Employees elect to retain or carryover accrued and unused vacation days rather than receive such payments, Seller or its Affiliates will pay or cause to be paid to Buyer an amount equal to the aggregate amount that would otherwise have been paid to such CB Transferred Employees with respect to

such vacation days, and Buyer will honor all such accrued and unused vacation days of such CB Transferred Employees as of the Closing. Buyer will, or cause the Companies to, pay to each Transferred Employee all unpaid salary or other compensation or employment benefits (but not including any compensation attributable to stock options or other types of equity compensation granted by Seller) which accrue to such employee from and after the Closing Date, at such times as provided under the terms of the applicable compensation or benefit programs.

(vi) Without limiting the obligations of the Parties under Sections 8.8(d)(ii)(C) and 8.8(d)(ii)(D), Business Employees who on the Closing Date are not actively at work due to a leave of absence covered by the Family and Medical Leave Act, the Uniformed Service Employment and Reemployment Rights Act or other applicable Law, or other authorized leave of absence under Seller's established leave policy, including short-term or long-term disability, will be provided by Buyer with, or Buyer will cause the Companies to provide, benefits and compensation during such leave that is substantially similar to the benefits and compensation provided to such employees by Seller prior to the Closing Date, and Buyer will or will cause the Companies to treat such Business Employees as Transferred Employees on the date that they are able to return to work (provided that such return to work occurs within the authorized period of their leaves following the Closing Date) and are able to perform the essential functions of their jobs with or without reasonable accommodation. Seller shall provide Buyer with a list of such individuals as of the Closing Date with the scheduled dates for expiration of their leaves.

(vii) Buyer will or will cause the Companies to assume Seller's obligations as of the Closing Date to pay nonqualified deferred compensation to the applicable Business Employees and former Business Employees.

(e) On or before the Closing Date, Seller shall provide Buyer a list of the names and sites of employment of any and all Business Employees who have experienced, or will experience, an employment loss or layoff as defined by WARN Act or any similar applicable state or local Law requiring notice to employees in the event of a closing or layoff within ninety (90) days prior to the Closing Date. Seller shall update this list up to and including the Closing Date. For a period of ninety (90) days after the Closing Date, Buyer shall not allow the Companies to engage in any conduct which would result in an employment loss or layoff for a sufficient number of employees of the Companies or either of them which, if aggregated with any such conduct on the part of Seller prior to the Closing Date, would trigger the WARN Act or any similar applicable Law. Without limiting the foregoing, Buyer will be and will cause the Companies to be responsible, with respect to the Business, for performing and discharging all requirements under the WARN Act and under applicable state and local laws and regulations for the notification to Transferred Employees of any "employment loss" within the meaning of the WARN Act which occurs at or following the Closing Date.

(f) From and after the Closing Date, with respect to worker's compensation, Buyer shall or shall cause the Companies to assume, discharge, pay and be solely liable for all Losses in respect of any Claims pending as of or commenced after the Closing Date resulting from actual or alleged harm or injury to any Business Employee regardless of when the incident or accident giving rise to such liability occurred or occurs. Buyer shall or shall cause the Companies to make all necessary arrangements to assume all such worker's compensation claim files,

whether opened or closed, as of the Closing Date, and will make the necessary arrangements for assuming the continued management of such liabilities.

(g) From and after the Closing Date, except to the extent any such Losses are covered under Seller's or an Affiliates' third party insurance plans or policies, reinsurance policies or arrangements, or trusts or other funding vehicles, Buyer shall or shall cause the Companies to assume, discharge, pay and be solely liable for health, accidental death and dismemberment, short term disability or life insurance coverage and any medical or dental benefits to the Business Employees and their eligible dependents.

(h) Buyer agrees that from and after the Closing Date, if a Business Employee commences an action, suit or proceeding relating to an employment-related claim (but excluding, in any event the ERISA Case), any resulting Liability shall be the responsibility of the Companies. Parent shall reasonably cooperate with Buyer and the Companies in the defense of any such claim to the extent that the applicable actions or events transpired preceding the Closing Date.

(i) For purposes of Sections 8.8(f), 8.8(g) and 8.8(h), the term "Business Employees" shall also include any individuals who (A) were employed principally for the Business at the time the incident or circumstances giving rise to such suit, claim, action, proceeding or Loss occurred, and (B) who are not employed by Seller either as of the date hereof or as of the Closing Date.

(j) No provision in this Agreement shall modify or amend any other agreement, plan, program or document, including any of Buyer's benefit plans or arrangements, unless this Agreement explicitly states that the provision "amends" that other agreement, plan, program or document. This shall not prevent the parties entitled to enforce this Agreement from enforcing any provision in this Agreement, but no other party shall be entitled to enforce any provision in this Agreement on the grounds that it is an amendment to another agreement, plan, program or document, unless a provision is explicitly designated as such in this Agreement, and the person is otherwise entitled to enforce such other agreement, plan, program or document. If a party not entitled to enforce this Agreement brings a lawsuit or other action to enforce any provision in this Agreement as an amendment to another agreement, plan, program or document, and such provision is construed to be such an amendment despite not being explicitly designated as an amendment in this Agreement, such provision shall lapse retroactively, thereby precluding it from having any amendatory effect. The provisions of this Section 8.8 are not, and will not be construed as being, for the benefit of any Person other than the Parties, and are not enforceable by any Persons (including Transferred Employees, Current Retirees, and Other Plan Participants) other than such Parties.

(k) Following the Closing, if Buyer, either of the Companies or Seller or its successor identifies any individual that was incorrectly classified by Seller (including employees not listed in Schedule 1.1–B) with respect to whether such individual was a Business Employee, a former employee of the Business or a Current Retiree, as applicable, Buyer and Seller agree to, Buyer shall cause the Companies to and Parent shall cause Seller's successor to, notify the other Party or the Companies, as applicable, and, acting in good faith, to take, or cause to be taken, all action, and to do, or cause to be done, all things reasonably necessary, proper or advisable to cause such individual to be appropriately classified for purposes of this Agreement, and to allocate

the liabilities and obligations related to such re-classified individual in accordance with the terms hereof.

8.9 Eminent Domain; Casualty Loss.

(a) If, before the Closing Date, any of the Purchased Assets are taken by eminent domain or condemnation, or are the subject of a pending or (to Seller's Knowledge) contemplated taking which has not been consummated, Seller will (i) notify Buyer promptly in writing of such fact, and (ii) at the Closing assign, or Seller shall, or Parent shall cause Seller's successor to, assign to the Companies all of Seller's right, title, and interest in and to any proceeds or payments received, or to be received, in compensation for such taking.

(b) If, before the Closing Date, all or any material portion of the Purchased Assets are damaged or destroyed by fire or other casualty, Seller will notify Buyer promptly in writing of such fact and, at the Closing assign to the Companies, or Seller shall, or Parent shall cause Seller's successor to, assign to the Companies all of Seller's right, title, and interest in and to any insurance recoveries received, or to be received, in compensation for such damage or destruction less any such amounts received, or to be received, to reimburse Seller for expenditures incurred by Seller to repair or replace such Purchased Assets.

(c) Seller and Buyer will use their reasonable best efforts (without being required to make payment to any third party or to incur any economic burden) to obtain from each holder of any Preferential Purchase Right a written waiver of such Preferential Purchase Right if required with respect to the transactions contemplated by this Agreement (an "Applicable Preferential Purchase Right"). If the Parties cannot obtain a waiver of an Applicable Preferential Purchase Right, the Parties will cooperate, using reasonable best efforts, to provide for compliance with the terms of such Applicable Preferential Purchase Right. In the event that any Purchased Asset remains subject to such Applicable Preferential Purchase Right as of the Closing, in lieu of any adjustment to the Purchase Price Seller will, or Parent will cause Seller's successor to, at the Closing assign to the applicable Company, as a Purchased Asset, all of Seller's right, title, and interest in and to all rights of Seller with respect to such Applicable Preferential Purchase Right, including proceeds received or to be received in respect to such Applicable Preferential Purchase Right, and will assign to the applicable Company and Buyer shall cause such Company to assume, as Assumed Obligations, all obligations of Seller with respect to such Applicable Preferential Purchase Right. If any third party holding a Preferential Purchase Right exercises such right prior to the Closing, Seller shall promptly give Buyer written notice of such exercise. Buyer and Seller hereby expressly acknowledge and agree that nothing in this Agreement constitutes an offer or agreement to sell, transfer, dispose of, purchase, assume, or acquire any asset subject to a Preferential Purchase Right except upon the Closing following the satisfaction of all conditions to Closing specified in this Agreement. Neither this Agreement nor anything herein or in connection herewith shall be deemed to obligate Seller to sell, transfer, assign or otherwise dispose of any Purchased Asset or Assumed Obligation, to Buyer or any other Person, except upon the Closing following the satisfaction or waiver of all conditions to Closing specified in this Agreement.

(d) A condemnation or taking of, casualty or exercise of a Preferential Purchase Right set forth in Schedule 5.8 with respect to, any Purchased Asset, and any effects thereof (including any resulting termination of any Franchise or other agreement principally related to

such Purchased Asset), may be taken into account in determining whether a Material Adverse Effect has occurred; provided that to the extent either of the Companies is assigned the rights, title and interest to any payments or proceeds received by Seller with respect to any such condemnation or taking, casualty or exercise of a Preferential Purchase Right, such payments or proceeds may be considered in determining whether any Material Adverse Effect has occurred; provided further that assignment of such proceeds or payments to such Company shall not necessarily mean a Material Adverse Effect did not occur.

8.10 Transitional Use of Signage and Other Materials Incorporating Seller's Name or other Logos. Parent acknowledges that it will have no ongoing claim or rights in or to the Seller Marks. Within one hundred eighty (180) days following the Closing Date, Parent will remove or cause the removal of the Seller Marks from all signage or other items relating to or used in connection with the Excluded Assets and, thereafter, Parent will not use or permit the use of any Seller Marks.

8.11 Litigation Support. In the event and for so long as any of the Companies, Buyer, Parent or Seller or its successor is actively contesting or defending against any third-party Claim in connection with (i) any transaction contemplated under this Agreement or (ii) any fact, situation, circumstance, status, condition, activity, practice, plan, occurrence, event, incident, action, failure to act, or transaction on or prior to the Closing Date involving Seller, Buyer, Parent and Seller will, Seller will cause the Companies to and Parent will cause Seller's successor to, cooperate with the contesting or defending Person and its counsel in the contest or defense, make reasonably available its personnel, and provide such testimony and access to its books and records as is reasonably necessary in connection with the contest or defense, all at the sole cost and expense of the contesting or defending Person.

8.12 Audit Assistance.

(a) If, (i) during or for the period beginning on the date hereof and ending on the Closing Date, Buyer is, in connection with any annual or quarterly report filed with the SEC, required by the SEC to file audited or reviewed financial statements of the Business in respect of any period occurring prior the Closing Date, or (ii) during or for the period beginning on the date hereof and ending on the last day of the calendar year of the Closing, Buyer is, in connection with a registration statement or other voluntary filing to be filed by Buyer with the SEC, required by the SEC to file audited or reviewed financial statements of the Business in respect of any period occurring prior the Closing Date, then in each case at Buyer's request, as applicable, Seller will, or Parent will cause Seller's successor to, use its reasonable best efforts to cause Seller's auditor to, at Buyer's sole cost and expense, (a) cooperate with and provide Buyer access to such information, books and records as necessary for Buyer to prepare audited and interim or reviewed financial statements of the Business, and (b) agree to provide to Buyer an audit or review of the financial statements of the Business, for the periods necessary to satisfy the SEC requirements (and any consents, if any, to use such audited or reviewed financial statements in Buyer's SEC filings). Further, Seller will use reasonable best efforts to assist Buyer in preparing pro forma financial information that in Buyer's reasonable judgment may be required to be included in any such filing or prospectus, offering memorandum or other document or materials that may be prepared in connection with the Buyer Financing or otherwise on or prior to the Closing, and, whether or not Seller's auditor is retained by Buyer to conduct an audit or review of the Business,

Seller will, or Parent will cause Seller's successor to (x) use its reasonable best efforts to cause Seller's auditor to, at Buyer's sole cost and expense, make available to Buyer and its auditors the work papers and other documents and records reasonably requested by Buyer that were created prior to the Closing and relate principally to the Business, and (y) cooperate with Buyer, at Buyer's sole cost and expense, in obtaining an audit or review of the Business, in each case, to the extent required by the SEC.

(b) Seller acknowledges and agrees that any audited and interim or reviewed financial statements and related information prepared in accordance with this Section 8.12 will not be deemed Confidential Information for purposes of this Agreement.

8.13 Notification of Customers. As soon as practicable following the Closing, Seller will, or Parent will cause Seller's successor to, cooperate with the Companies and Buyer to cause to be sent to customers of the Business a notice of the transfer of the customers from Seller to the applicable Company (the "Customer Notification"). The Customer Notification will contain such information as is required by Law and approved by Buyer and Seller, which approval will not be unreasonably withheld or delayed.

8.14 Financing. Buyer will use reasonable best efforts to take or to cause to be taken, all actions, and to do or cause to be done, all things necessary, proper or advisable to close the Buyer Financing on the terms and conditions described in the Buyer Financing Commitments by the date upon which the Closing Date is contemplated to occur in accordance with Section 4.1 (provided and to the extent that Buyer has not otherwise obtained funds sufficient to pay the Purchase Price through other sources of funds and provided that Buyer may replace or amend the Buyer Financing Commitments after consultation with Parent and Seller but only if the terms of such replacement or amended Buyer Financing Commitments, including with respect to conditionality, would not adversely impact Buyer's ability to consummate the transactions contemplated by this Agreement or the Asset Purchase Agreement, or otherwise prevent, impact or delay the consummation of the transactions contemplated by this Agreement or the Asset Purchase Agreement), including paying the commitment fees arising under the Buyer Financing Commitments as and when such fees become due and payable during the period beginning on the date hereof and ending on the Closing Date, and using reasonable best efforts to (i) negotiate definitive agreements with respect thereto on the terms and conditions contained therein and (ii) to satisfy on a timely basis all conditions applicable to obtain the Buyer Financing. In the event any portion of the Buyer Financing becomes unavailable on the terms and conditions contemplated in the Buyer Financing Commitments and Buyer has not otherwise obtained other sources of funds, Buyer will use reasonable best efforts to obtain alternative financing from alternative sources by the date upon which the Closing Date is contemplated to occur in accordance with Section 4.1. Buyer will give prompt notice to Seller and Parent of any material breach of the Buyer Financing Commitments of which Buyer becomes aware or any termination of the Buyer Financing Commitments or any Buyer Financing. Buyer will keep Seller and Parent informed on a regularly current basis in reasonable detail of the status of the Buyer Financing.

8.15 Document Delivery. The Parties will work cooperatively to make available to Buyer prior to the Closing such Documents as are reasonably necessary to transition the control and operation of the Business to the Companies and Buyer at the Closing with minimal

interruptions or disruptions in the conduct of the Business. At or within a reasonably practicable period of time after the Closing Date, Seller will, or Parent will cause Seller's successor to, deliver to the Companies, at such location mutually agreed upon by the Companies and Seller or its successor, any remaining Documents. At the reasonable request of Buyer or the Companies, Seller will, or Parent will cause Seller's successor to, use reasonable best efforts to make available in an electronic format compatible with Buyer's electronic systems any Documents and other books and records relating to the Purchased Assets which are maintained by Seller in electronic form.

8.16 Surveys' Title Insurance, Estoppel Certificates, and Non-Disturbance Agreements. At Buyer's option and at Buyer's sole cost and expense, Buyer may obtain (i) surveys desired by Buyer in respect of the Real Property, in form and substance reasonably satisfactory to Buyer; (ii) title insurance policies in current ALTA Form or equivalent covering the Real Property, insuring title to the applicable Real Property as vested in the Companies, and in form, substance, and amounts reasonably satisfactory to Buyer, and without limiting the generality of the foregoing, with all requirements satisfied or waived, with all exceptions deleted, and with all endorsement thereto to the extent desired by Buyer; and (iii) all estoppel certificates and non-disturbance agreements desired by Buyer in respect of any real property leases included in the Purchased Assets, in form and substance reasonably satisfactory to Buyer and to the parties providing such certificates and agreements. Seller and Limited Partner agree, and Parent agrees to cause Seller's successor, to cooperate as reasonably requested by Buyer (at Buyer's expense) in its efforts to obtain such items, provided that (y) none of Limited Partner, the Companies, Parent, Seller or Seller's successor shall be required to make any payment to any third party or incur any economic burden in connection therewith, and (z) Buyer's obtaining any such items shall not be a requirement of or a condition to the Closing. In addition, with respect to Limited Partner's, Seller's and Seller's successor's cooperation with Buyer's reasonable requests to obtain title insurance under clause (ii) above, none of Limited Partner, Seller and Seller's successor, except to the extent required to satisfy the Closing condition set forth in Section 9.2(f), and except for such actions as may be necessary to enable Buyer's title insurance company to insure title to the applicable Real Property as vested in the Companies, shall be required to cure any purported defects, cause any exceptions to be deleted, or provide any affidavits, indemnities, or representations or warranties to any title company issuing such title insurance.

8.17 Post-Closing Release of Encumbrances and Transfer of Purchased Assets.

(a) Notwithstanding anything to the contrary herein, if any Non-Permitted Encumbrances on the Company Interests, the Business or the Purchased Assets are not released on or before the Closing, and such Non-Permitted Encumbrances secure or are created by or in respect of the Excluded Liabilities, or are for material delinquent Taxes or material delinquent assessments, Seller shall, and Parent shall cause Seller's successor to, promptly make such payments and take such actions as necessary to obtain the release of such Non-Permitted Encumbrances after the Closing.

(b) Notwithstanding anything to the contrary herein, if Seller fails to deliver any deeds of conveyance or assignments or other instruments, certificates or documents as necessary to transfer any of the Purchased Assets to the Companies at the Closing, Seller shall,

and Parent shall cause Seller's successor to, promptly execute and deliver such deeds of conveyance, assignments or other instruments, certificates or documents and take such actions as necessary to transfer such Purchased Assets to the Companies as soon as practicable after the Closing.

8.18 Shared Code Licenses. Buyer hereby grants to Parent a worldwide, non-exclusive, royalty-free, fully paid-up, sublicensable, transferable license to use, reproduce, make derivative works of, distribute, display and perform the Shared Code that is included in the Purchased Assets. Parent hereby grants to Buyer a worldwide, non-exclusive, royalty-free, fully paid-up, sublicensable, transferable license to use, reproduce, make derivative works of, distribute, display and perform the Shared Code that is included in the Excluded Assets. Except as set forth in the Transition Services Agreement, neither Buyer nor Parent shall have any obligation to support, maintain, provide updates or upgrades for, or otherwise provide any assistance to the other in connection with, the Shared Code. The foregoing licenses shall be binding on the respective successors and assigns of Buyer and Parent.

8.19 Performance of the Obligations of the Companies Post-Closing. From and after the Closing, Buyer shall cause the Companies to perform all of the obligations of the Companies that under the terms of this Agreement are to be performed from and after the Closing Date.

ARTICLE IX

CONDITIONS TO CLOSING

9.1 Conditions to Each Party's Obligations to Effect the Closing. The respective obligations of each Party to effect the transactions contemplated hereby are subject to the satisfaction or waiver by Buyer and Seller at or prior to the Closing Date of each of the following conditions:

(a) The waiting period under the HSR Act, including any extension thereof, applicable to the consummation of the transactions contemplated hereby shall have expired or been terminated;

(b) No applicable Law prohibiting consummation of the transactions contemplated in this Agreement shall be in effect, except where the violation of Law resulting from the consummation of the transactions contemplated in this Agreement would not, individually or in the aggregate, reasonably be expected to have an impact (other than an insignificant impact) on the Business, the Purchased Assets, the Colorado Business and the Colorado Assets, taken as a whole, and no court of competent jurisdiction in the United States will have issued any Order that is in effect and enjoins the consummation of the transactions contemplated hereby (each Party agreeing to use its reasonable best efforts to have any such Order lifted); and

(c) Seller, Parent and Merger Sub will be in a position to consummate the Merger immediately following the closing of the transactions contemplated by this Agreement and the Asset Purchase Agreement.

9.2 Conditions to Obligations of Buyer. The obligation of Buyer to effect the transactions contemplated hereby is also subject to the satisfaction or waiver by Buyer at or prior to the Closing Date of the following conditions:

(a) Since the date of this Agreement, no Material Adverse Effect shall have occurred and be continuing;

(b) Seller, Limited Partner, Parent and Merger Sub shall have performed and complied in all material respects with the covenants and agreements contained in this Agreement which are required to be performed and complied with by such Person on or prior to the Closing Date (other than Section 4.3, which is subject to Section 9.2(f));

(c) The representations and warranties of Seller set forth in ARTICLE V of this Agreement, and the representations and warranties of Parent and Merger Sub set forth in ARTICLE VII of this Agreement, shall be true and correct as of the Closing Date, as if made at and as of the Closing Date (except to the extent that any such representation or warranty is expressly made as of an earlier date, in which case such representation and warranty will be true and correct only as of such date), except where the failure or failures of such representations and warranties to be so true and correct (without giving effect to any limitations or exceptions as to materiality or Material Adverse Effect set forth therein) would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect;

(d) Buyer shall have received a certificate from the Chief Executive Officer of each of Parent and Seller, dated the Closing Date stating that, to the best of such officer's knowledge, the conditions set forth in Sections 9.2(b) and 9.2(c) regarding Parent and Seller, respectively, have been satisfied;

(e) The Required Regulatory Approvals shall have been obtained and become Final Regulatory Orders, and no terms (excluding those proposed in the applications for the Required Regulatory Approvals) shall have been imposed in connection with such Final Regulatory Orders by any Governmental Entity which terms, individually or in the aggregate, would reasonably be expected to result in a Regulatory Material Adverse Effect;

(f) Buyer shall have received the items to be delivered pursuant to Section 4.3; provided that the failure to deliver the items required to be delivered pursuant to Sections 4.3(e)-(i) shall not be construed as a failure to satisfy the requirements of this Section 9.2(f) to the extent any deed, assignment, instrument of conveyance or certificate of title, termination or release (i) otherwise required pursuant to Sections 4.3(e)-(h) relates to parcels of immaterial Real Property, immaterial Easements, or immaterial titled or other Purchased Assets, each of which is subject to transfer subsequent to the Closing pursuant to Section 8.17; or (ii) otherwise required pursuant to Section 4.3(i) relates to terminations or releases of Non-Permitted Encumbrances on the Purchased Assets requiring the payment of immaterial amounts of cash, or the delivery of instruments, certificates or other documents or items required to remove Non-Permitted Encumbrances on assets that are immaterial to the Business, the Purchased Assets, the Colorado Business and the Colorado Assets, taken as a whole, and are subject, in each case, to release subsequent to the Closing pursuant to Section 8.17; and

(g) The consummation of the transactions contemplated by the Asset Purchase Agreement shall have occurred or shall occur concurrently with the Closing.

9.3 Conditions to Obligations of Seller. The obligations of Seller to effect the transactions contemplated hereby is also subject to the satisfaction or waiver at or prior to the Closing Date of the following conditions:

(a) Buyer shall have performed and complied in all material respects with the covenants and agreements contained in this Agreement which are required to be performed and complied with by Buyer on or prior to the Closing Date;

(b) The representations and warranties of Buyer which are set forth in ARTICLE VI of this Agreement shall be true and correct as of the Closing Date as if made at and as of the Closing Date (except to the extent that any such representation or warranty is expressly made as of an earlier date, in which case such representation and warranty will be true and correct only as of such date), except where the failure or failures of such representations and warranties to be so true and correct (without giving effect to any limitations or exceptions as to materiality set forth therein) that do not, individually or in the aggregate, cause such representations and warranties of Buyer to be materially inaccurate taken as a whole;

(c) Seller shall have received a certificate from the Chief Executive Officer of Buyer dated the Closing Date stating that, to the best of such officer's knowledge, the conditions set forth in Sections 9.3(a) and 9.3(b) have been satisfied;

(d) The Required Regulatory Approvals shall have been obtained and become Final Regulatory Orders; and no terms (excluding those proposed in the applications for the Required Regulatory Approvals) shall have been imposed in connection with such Final Regulatory Orders by any Governmental Entity which terms, individually or in the aggregate, would reasonably be expected to result in a Regulatory Material Adverse Effect affecting the Post-Sale Company (as defined in the Merger Agreement);

(e) Seller shall have received the other items to be delivered pursuant to Section 4.4; and

(f) The consummation of the transactions contemplated by the Asset Purchase Agreement shall have occurred or shall occur concurrently with the Closing.

9.4 Invoking Certain Provisions. Any Party seeking to claim that a condition to its obligation to effect the transactions contemplated hereby has not been satisfied by reason of the fact that a Material Adverse Effect or a Regulatory Material Adverse Effect has occurred or would reasonably be expected to occur or result will have the burden of proof to establish that occurrence or expectation.

ARTICLE X

TERMINATION AND OTHER REMEDIES

10.1 Termination.

(a) This Agreement may be terminated at any time prior to the Closing Date by mutual written consent of Seller, Buyer and Parent.

(b) This Agreement may be terminated by Seller or Buyer if the Closing has not occurred on or before the first anniversary of the date of this Agreement (the "Termination Date"); provided that, if Buyer or Seller determines that additional time is necessary to obtain any of the Required Regulatory Approvals, the Material Company Regulatory Consents or the Material Parent Regulatory Consents (each as defined in the Merger Agreement), or the "Required Regulatory Approvals" as defined in the Asset Purchase Agreement, or if all of the conditions to Parent's obligations to consummate the Merger shall have been satisfied or shall be then capable of being satisfied and this Agreement fails to be consummated by reason of a breach by Parent of its obligation to be in a position to consummate the Merger after the Closing, the Termination Date may be extended by Buyer or Seller from time to time by written notice to the other Party and to Parent up to a date not beyond eighteen (18) months after the date of this Agreement, any of which dates shall thereafter be deemed to be the Termination Date; provided further that the right to terminate this Agreement under this Section 10.1(b) will not be available to a Party that has breached in any material respect its obligations under this Agreement in any manner that will have proximately contributed to the failure of the Closing to occur on or before the Termination Date.

(c) This Agreement may be terminated by either Seller or Buyer if (i) any Required Regulatory Approval has been denied by the applicable Governmental Entity and all appeals of such denial have been taken and have been unsuccessful, or (ii) one or more courts of competent jurisdiction in the United States or any State has issued an Order permanently restraining, enjoining, or otherwise prohibiting the Closing, and such Order has become final and nonappealable.

(d) This Agreement may be terminated by Buyer if there has been a material breach of any representation, warranty, or covenant made by Seller in this Agreement, or any representation or warranty of Seller shall have become untrue after the date of this Agreement, so that Section 9.2(b) or 9.2(c) would not be satisfied and this breach or failure to be true, is not curable, or if curable, is not curable by the Termination Date (as the same may be extended).

(e) This Agreement may be terminated by Seller if the Board of Directors of Seller approves a Superior Proposal (as defined in the Merger Agreement) and authorizes Seller to enter into a binding written agreement with respect to that Superior Proposal and, in connection with the termination of the Merger Agreement and entering into the agreement reflecting the Superior Proposal, pays into a joint bank account in the names of Buyer and Parent by wire transfer of same day funds the Company Termination Fee (as defined in the Merger Agreement) required to be paid pursuant to Section 9.5(b) of the Merger Agreement.

(f) This Agreement may be terminated by Seller if there has been a material breach of any representation, warranty, or covenant made by Buyer in this Agreement, or any representation or warranty of Buyer shall have become untrue after the date of this Agreement, so that Sections 9.3(a) and 9.3(b) would not be satisfied and this breach or failure to be true is not curable, or if curable, is not curable by the Termination Date (as the same may be extended).

(g) This Agreement may be terminated by Buyer or Seller upon or following the termination of the Merger Agreement in accordance with its terms.

10.2 Procedure and Effect of Termination. In the event of termination of this Agreement pursuant to Section 10.1, written notice thereof will forthwith be given by the terminating Party to the other Parties and this Agreement (other than as set forth in this Section 10.2, Section 10.4 and Section 11.1) will terminate and become void and of no effect, and the transactions contemplated hereby will be abandoned without further action by any Party, whereupon the liabilities of the Parties hereunder (and of any of their respective Representatives) will terminate, except as otherwise expressly provided in this Agreement; provided, that such termination will not relieve any Party from any liability for damages to any other Party resulting from any prior breach of this Agreement, the Asset Purchase Agreement or the Merger Agreement which is (i) material, and (ii) willful or knowing. If this Agreement is terminated pursuant to Section 10.1(e) or Section 10.1(g) upon or following termination of the Merger Agreement under circumstances where Seller is required to pay Parent the Company Termination Fee (as defined in the Merger Agreement) pursuant to the provisions of Section 9.5(b) of the Merger Agreement, Seller will, following such termination and at the time required under Section 9.5(b) of the Merger Agreement, pay into a joint bank account in the names of Buyer and Parent the termination fee required to be paid pursuant to the terms of the Merger Agreement, by wire transfer of same day funds. If this Agreement is terminated pursuant to Section 10.1(g) upon or following termination of the Merger Agreement under circumstances where Parent is required to pay Seller the Parent Termination Fee (as defined in the Merger Agreement) pursuant to the provisions of Section 9.5(c) of the Merger Agreement, Parent will, following such termination and at the time required for payment of the Parent Termination Fee (as defined in the Merger Agreement), pay Buyer the Termination Fee. Seller, Limited Partner and Parent acknowledge that the agreements contained in this Section 10.2 are an integral part of the transactions contemplated by this Agreement, and that, without these agreements, Buyer would not enter into this Agreement; accordingly, if Seller or Parent fails to pay promptly the amount due pursuant to this Section 10.2, and, in order to obtain such payment, Buyer commences a suit which results in a judgment against Seller or Parent, as the case may be, for the fee to be paid by such Party as set forth in this Section 10.2, Seller or Parent, as applicable, will pay to Buyer its costs and expenses (including attorneys' fees) in connection with this suit, together with interest on the amount of the fee at the Prime Rate in effect on the date the payment should have been made.

10.3 Payment of Termination Fee. As promptly as practicable after payment of the Company Termination Fee (as defined in the Merger Agreement) to be paid pursuant to the terms of the Merger Agreement to the joint bank account, Parent and Buyer will reasonably agree upon the amount of the Termination Fee (subject to the limitations thereon as set forth in the definition of Termination Fee set forth herein) to be paid to Buyer, and upon such agreement

Buyer and Parent shall jointly direct payment of the agreed-upon Termination Fee to Buyer and disbursement of the remaining amount in such joint account to Parent.

10.4 Remedies upon Termination. If this Agreement is terminated as provided herein:

(a) ARTICLE XI (other than Section 11.2, Section 11.3 and Section 11.5) and the agreements of the Parties contained in Section 8.2(b), Section 8.2(d), Section 8.3, Section 10.2, Section 10.3 and Section 10.4 will survive the termination of this Agreement.

(b) Notwithstanding anything to the contrary herein, in view of the difficulty of determining the amount of damages which may result from a termination of this Agreement and the failure of the Parties to consummate the transactions contemplated by this Agreement under circumstances in which a termination fee is payable as contemplated by Section 10.2, Buyer, Parent, Merger Sub, Seller and Limited Partner have mutually agreed that the payment of the termination fees as set forth in Section 10.2 will be made as liquidated damages, and not as a penalty. In the event of any such termination, the Parties have agreed that the payment of the applicable termination fee as set forth in Section 10.2 will be the sole and exclusive remedy for monetary damages of Buyer. ACCORDINGLY, THE PARTIES HEREBY ACKNOWLEDGE THAT (i) THE EXTENT OF DAMAGES CAUSED BY THE FAILURE OF THIS TRANSACTION TO BE CONSUMMATED WOULD BE IMPOSSIBLE OR EXTREMELY DIFFICULT TO ASCERTAIN UNDER CIRCUMSTANCES IN WHICH A TERMINATION FEE IS PAYABLE AS CONTEMPLATED BY SECTION 10.2, (ii) THE AMOUNT OF THE TERMINATION FEE CONTEMPLATED IN SECTIONS 10.2 AND 10.3 IS A FAIR AND REASONABLE ESTIMATE OF SUCH DAMAGES UNDER THE CIRCUMSTANCES, AND (iii) RECEIPT OF SUCH TERMINATION FEE BY BUYER DOES NOT CONSTITUTE A PENALTY. THE PARTIES HEREBY FOREVER WAIVE AND AGREE TO FOREGO TO THE FULLEST EXTENT PERMITTED UNDER APPLICABLE LAW ANY AND ALL RIGHTS THEY HAVE OR IN THE FUTURE MAY HAVE TO ASSERT ANY CLAIM DISPUTING OR OTHERWISE OBJECTING TO ANY OR ALL OF THE FOREGOING PROVISIONS OF THIS SECTION 10.4(b). Any payment under Section 10.2 will be made by wire transfer of same day funds to a bank account in the United States of America designated in writing by the Parties entitled to receive such payment not later than three (3) Business Days following the date such Party delivers notice of such account designation to the Party responsible to make such payment.

(c) Upon any termination of this Agreement, all filings, applications and other submissions made pursuant to this Agreement, to the extent practicable, will be withdrawn from the Governmental Entity or other Person to which they were made.

ARTICLE XI

MISCELLANEOUS PROVISIONS

11.1 Survival. None of the covenants or agreements of Seller, Buyer, Parent or Merger Sub contained in this Agreement will survive the Closing, except for this ARTICLE XI and those covenants and agreements contained herein that by their terms apply or are to be performed in whole or in part after the Closing. Except as specified in the foregoing sentence, all other

representations, warranties, covenants and agreements in this Agreement will not survive the Closing of this Agreement.

11.2 Amendment and Modification. This Agreement may be amended, modified, or supplemented only by a written agreement executed and delivered by duly authorized officers of Seller, Parent and Buyer.

11.3 Waiver of Compliance. Except as otherwise provided in this Agreement, any failure of a Party to comply with any obligation, covenant, agreement, or condition herein may be waived by the Party entitled to the benefits thereof only by a written instrument signed by the Party granting such waiver, but such waiver or failure to insist upon strict compliance with such obligation, covenant, agreement, or condition will not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

11.4 Notices. Notices, requests, instructions or other documents to be given under this Agreement must be in writing and will be deemed given, (a) when sent if sent by facsimile, provided that the fax is promptly confirmed by telephone confirmation thereof, (b) when delivered, if delivered personally to the intended recipient, and (c) one (1) Business Day later, if sent by overnight delivery via a national courier service, and in each case, addressed to a Party at the following address for such Party:

(a) If to Parent or Merger Sub, or to Seller after the Closing, to:

Great Plains Energy Incorporated
1201 Walnut Street
P.O. Box 418679
Kansas City, MO 64106
Attention: Mark G. English,
General Counsel and Assistant Secretary
Fax: (816) 556-2418

with a copy to:

Skadden, Arps, Slate, Meagher & Flom LLP
Four Times Square
New York, New York 10036
Attention: Nancy A. Lieberman, Esq.
Morris J. Kramer, Esq.
Fax: (212) 735-2000

(b) If to Buyer, or to Limited Partner after the Closing, to:

Black Hills Corporation
625 9th Street
Rapid City, South Dakota 57709
Attention: Steven J. Helmers, Esq.
Fax: (605) 721-2550

with a copy to:

Morgan, Lewis & Bockius LLP
300 South Grand Avenue, Suite 2200
Los Angeles, California 90071
Attention: Richard A. Shortz, Esq.
Fax: (213) 612-2501

(c) If to Seller or Limited Partner before the Closing, to:

Aquila, Inc.
20 West Ninth Street
Kansas City, MO 64105
Attention: Christopher Reitz,
General Counsel and Corporate Secretary
Fax: (816) 467-3486

with a copy to:

Fried, Frank, Harris, Shriver & Jacobson
One New York Plaza
New York, New York 10004
Attention: Arthur Fleischer, Jr., Esq.
Stuart Katz, Esq.
Philip Richter, Esq.
Fax: (212) 859-4000

or to those other persons or addresses as may be designated in writing by the party to receive the notice as provided above.

11.5 Assignment. This Agreement and all of the provisions hereof will be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns, but neither this Agreement nor any of the rights, interests, or obligations hereunder may be assigned by any Party, without the prior written consent of the other Parties, nor is this Agreement intended to confer upon any other Person except the Parties any rights or remedies hereunder. Notwithstanding the foregoing, Buyer, upon written notice to but without the consent of Seller, Parent or Merger Sub, may assign this Agreement or the rights, benefits and obligations described herein to one or more wholly-owned Subsidiaries formed or to be formed to operate as a regulated utility in Colorado; provided, however, that notwithstanding such assignment, Buyer shall retain and remain responsible for all obligations and liabilities of Buyer hereunder; provided, further, that Buyer shall consult with Seller regarding the structure, financing and other attributes of such Subsidiaries to reflect requirements of the PUC.

11.6 No Third Party Beneficiaries. This Agreement is not intended to, and does not, confer upon any Person other than Buyer, Seller, Limited Partner, Parent and Merger Sub, any rights or remedies hereunder. Without limiting the generality of the foregoing, no provision of this Agreement creates any third party beneficiary rights in any employee or former employee of

Seller (including any beneficiary or dependent thereof) in respect of continued employment or resumed employment, and no provision of this Agreement creates any rights in any employee or former employee of Seller (including any beneficiary or dependent thereof) in respect of any benefits that may be provided, directly or indirectly, under any employee benefit plan or arrangement except as expressly provided for under such plans or arrangements.

11.7 GOVERNING LAW AND VENUE; WAIVER OF JURY TRIAL.

(a) THIS AGREEMENT WILL BE DEEMED TO BE MADE IN AND IN ALL RESPECTS SHALL BE INTERPRETED, CONSTRUED AND GOVERNED BY AND IN ACCORDANCE WITH THE LAW OF THE STATE OF DELAWARE, WITHOUT GIVING EFFECT TO THE CONFLICTS OF RULES THEREOF. The Parties hereby irrevocably submit exclusively to the jurisdiction of the State of Delaware and agree not to assert, as a defense in any action, suit or proceeding for the interpretation or enforcement hereof, that it is not subject thereto or that such action, suit or proceeding may not be brought or is not maintainable in said courts or that the venue thereof may not be appropriate or that this Agreement may not be enforced in or by such courts, and each of Seller, Buyer, Parent and Merger Sub irrevocably agrees that all claims with respect to such action or proceeding will be heard and determined in Delaware state court. Each of Seller, Buyer, Parent and Merger Sub hereby consents to and grants any such court jurisdiction over the Person of such Parties and over the subject matter of such dispute and agree that mailing of process or other papers in connection with any such action or proceeding in the manner provided in Section 11.4 or in such other manner as may be permitted by Law, will be valid and sufficient service thereof.

(b) EACH OF SELLER, LIMITED PARTNER, BUYER, PARENT AND MERGER SUB ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT THE PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EACH OF SELLER, LIMITED PARTNER, BUYER, PARENT AND MERGER SUB CERTIFIES AND ACKNOWLEDGES THAT (i) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT THE OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (ii) EACH SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (iii) EACH SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (iv) EACH SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 11.7(b).

11.8 Severability. Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction will not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

11.9 Specific Performance. Each of Seller, Limited Partner, Buyer, Parent and Merger Sub acknowledges and agrees that any breach of this Agreement would give rise to irreparable harm for which monetary damages would not be an adequate remedy. Each of Seller, Limited Partner, Buyer, Parent and Merger Sub accordingly agrees that, in addition to other remedies, the Parties will be entitled to enforce the terms of this Agreement by decree of specific performance without the necessity of providing the inadequacy of monetary damages as a remedy and to obtain injunctive relief or other equitable remedy against any breach or threatened breach hereof.

11.10 Entire Agreement. This Agreement will be a valid and binding agreement of the Parties only if and when it is fully executed and delivered by the Parties, and until such execution and delivery no legal obligation will be created by virtue hereof. This Agreement, the Asset Purchase Agreement and the Merger Agreement (in each case, together with the Schedules and Exhibits hereto or thereto, and the certificates and instruments delivered pursuant hereto or thereto), the Confidentiality Agreement, the confidentiality agreement dated June 28, 2006 between Seller and Parent, as amended by the letter agreement dated September 5, 2006 between Seller and Parent, the letter of intent dated November 21, 2006 between Buyer and Parent, and the Transition Services Agreement (together with the schedules thereto), embody the entire agreement and understanding of the Parties hereto in respect of the transactions contemplated by this Agreement, the Asset Purchase Agreement and the Merger Agreement, and supersede all prior agreements, understandings, representations and warranties, both written and oral, between or among the Parties or any of them with respect to the transactions contemplated herein, in the Partnership Interests Purchase Agreement and the Merger Agreement.

11.11 Bulk Sales or Transfer Laws. Buyer and Parent acknowledge that Seller will not comply with the provisions of any bulk sales or transfer laws of any jurisdiction in connection with the transactions contemplated by this Agreement. Buyer hereby waives compliance by Seller with the provisions of the bulk sales or transfer laws of all applicable jurisdictions

11.12 No Consequential Damages. Notwithstanding anything to the contrary elsewhere in this Agreement or provided for under any applicable Law, no Party will, in any event, be liable to any other Party, either in contract, in tort or otherwise, for any consequential, incidental, indirect, special, or punitive damages of such other Party or Persons represented by such other Party, whether or not the possibility of such damages has been disclosed to such other Party or Persons represented by such other Party in advance or could have been reasonably foreseen by such other Party or Persons represented by such other Party. The preceding sentence shall not limit the right of any Party to seek "benefit of the bargain" damages for a breach of this Agreement or specific performance or other equitable remedy as provided in Section 11.9; provided that the right of any Party or Persons represented by such Party to seek any of such remedies is not an admission by the other Parties that, under the circumstances, any such remedies are proper remedies; provided, further, that the Party against whom any such remedy is sought may not claim that the awarding of "benefit of the bargain" damages is prohibited by virtue of the restriction against liability for consequential, incidental, indirect, special or punitive damages contained in this Section 11.12.

11.13 Counterparts. This Agreement, and any certificates and instruments delivered under or in accordance herewith, may be executed in any number of counterparts (including by facsimile or other electronic transmission), each such counterpart being deemed to be an original

instrument, and all such counterparts will together constitute the same instrument, it being understood that all of the Parties need not sign the same counterpart.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have caused this Partnership Interests Purchase Agreement to be signed by their respective duly authorized officers as of the date first above written.

SELLER:

AQUILA, INC.

By: _____
Name: Richard C. Green
Title: President, Chief Executive Officer and Chairman of the Board of Directors

LIMITED PARTNER:

AQUILA COLORADO, LLC

By: _____
Name: Keith Stamm
Title: President

BUYER:

BLACK HILLS CORPORATION

By: _____
Name: David R. Emery
Title: President, Chief Executive Officer and Chairman of the Board of Directors

IN WITNESS WHEREOF, the Parties have caused this Partnership Interests Purchase Agreement to be signed by their respective duly authorized officers as of the date first above written.

SELLER:

AQUILA, INC.

By: _____
Name: Richard C. Green
Title: President, Chief Executive Officer and Chairman of the Board of Directors

LIMITED PARTNER:

AQUILA COLORADO, LLC

By: _____
Name: Keith Stamm
Title: President

BUYER:

BLACK HILLS CORPORATION

By: _____
Name: David R. Emery
Title: President, Chief Executive Officer and Chairman of the Board of Directors

PARENT:

GREAT PLAINS ENERGY INCORPORATED

By: _____
Name: Michael J. Chesser
Title: Chairman of the Board and Chief Executive Officer

MERGER SUB:

GREGORY ACQUISITION CORP.

By: _____
Name: Terry Bassham
Title: President

Exhibit 1.1-A
Form of Assignment and Assumption Agreement
(for the Gas Business)

This Assignment and Assumption Agreement ("Agreement"), is made as of _____, ____ by and between Aquila, Inc., a Delaware corporation ("Seller"), and **[Newco Gas LP]**, a Delaware limited partnership (the "Company"). Unless otherwise indicated, capitalized terms used but not otherwise defined herein have the meanings ascribed to such terms in the Partnership Interests Purchase Agreement (as defined below).

WHEREAS, Seller has entered into an Agreement and Plan of Merger dated February 6, 2007 (the "Merger Agreement") among Seller, Great Plains Energy Incorporated, a Missouri corporation ("Parent"), Gregory Acquisition Corp., a Delaware corporation and wholly-owned subsidiary of Parent ("Merger Sub"), and Black Hills Corporation, a South Dakota corporation ("Buyer") which, among other things, provides for the merger of Merger Sub with and into Seller immediately after the Closing.

WHEREAS, Buyer, Seller, as the general partner of the Company and of [Newco Electric, LP], a Delaware limited partnership ("Electric Opco"), Aquila Colorado, LLC, a Delaware limited liability company ("Limited Partner"), as the limited partner of the Company and of Electric Opco, Parent and Merger Sub, entered into that certain Partnership Interests Purchase Agreement, dated February 6, 2007 (the "Partnership Interests Purchase Agreement"), pursuant to which, among other things, the Company agreed to assume from Seller the Gas Business Assumed Obligations, and Seller agreed to assign to the Company all of Seller's rights to the Gas Business Purchased Assets.

NOW, THEREFORE, pursuant and subject to the terms of Partnership Interests Purchase Agreement and in consideration of the mutual covenants set forth below and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and the Company agree as follows:

1. Seller hereby assigns and transfers all of the Gas Business Assumed Obligations and all of Seller's rights to the Gas Business Purchased Assets to the Company, and the Company hereby accepts such assignment and hereby assumes and agrees to pay, perform, and discharge when due all of the Assumed Obligations.

2. Seller and the Company agree, on behalf of themselves and their respective successors and assigns, to do, execute, acknowledge, and deliver, or to cause to be done, executed, acknowledged, and delivered, all such further acts, documents, and instruments that may reasonably be required to give full effect to the intent of this Agreement.

3. This Agreement is being delivered pursuant to the Partnership Interests Purchase Agreement and will be construed consistently therewith. This Agreement is not intended to, and does not, in any manner enhance, diminish, or otherwise modify the rights and obligations of the Parties under the Partnership Interests Purchase Agreement. To the extent that any provision of this Agreement conflicts or is inconsistent with the terms of the Partnership Interests Purchase Agreement, the terms of the Partnership Interests Purchase Agreement will govern.

4. This Agreement may be executed in multiple counterparts (each of which will be deemed an original, but all of which together will constitute one and the same instrument), and may be delivered by facsimile transmission, with originals to follow by overnight courier or certified mail (return receipt requested).

5. This Agreement and all of the provisions hereof will be binding upon and inure to the benefit of Seller and the Company and their respective successors and permitted assigns.

[Signature Page Follows]

IN WITNESS WHEREOF, Seller and the Company have caused this Agreement to be signed by their respective duly authorized officers as of the date first above written.

Aquila, Inc.

By: _____
Name:
Title:

[Newco Gas LP]

By: _____
Name:
Title:

Form of Assignment and Assumption Agreement
(for the Electric Business)

This Assignment and Assumption Agreement ("Agreement"), is made as of _____, ____ by and between Aquila, Inc., a Delaware corporation ("Seller"), and **[Newco Electric LP]**, a Delaware limited partnership (the "Company"). Unless otherwise indicated, capitalized terms used but not otherwise defined herein have the meanings ascribed to such terms in the Partnership Interests Purchase Agreement (as defined below).

WHEREAS, Seller has entered into an Agreement and Plan of Merger dated February 6, 2007 (the "Merger Agreement") among Seller, Great Plains Energy Incorporated, a Missouri corporation ("Parent"), Gregory Acquisition Corp., a Delaware corporation and wholly-owned subsidiary of Parent ("Merger Sub"), and Black Hills Corporation, a South Dakota corporation ("Buyer") which, among other things, provides for the merger of Merger Sub with and into Seller immediately after the Closing.

WHEREAS, Buyer, Seller, as the general partner of the Company and of [Newco Gas, LP], a Delaware limited partnership ("Gas Opco"), Aquila Colorado, LLC, a Delaware limited liability company ("Limited Partner"), as the limited partner of the Company, and of Gas Opco, Parent and Merger Sub, entered into that certain Partnership Interests Purchase Agreement, dated February 6, 2007 (the "Partnership Interests Purchase Agreement"), pursuant to which, among other things, the Company agreed to assume from Seller the Electric Business Assumed Obligations, and Seller agreed to assign to the Company all of Seller's rights to the Electric Business Purchased Assets.

NOW, THEREFORE, pursuant and subject to the terms of Partnership Interests Purchase Agreement and in consideration of the mutual covenants set forth below and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and the Company agree as follows:

1. Seller hereby assigns and transfers all of the Electric Business Assumed Obligations and all of Seller's rights to the Electric Business Purchased Assets to the Company, and the Company hereby accepts such assignment and hereby assumes and agrees to pay, perform, and discharge when due all of the Assumed Obligations.

2. Seller and the Company agree, on behalf of themselves and their respective successors and assigns, to do, execute, acknowledge, and deliver, or to cause to be done, executed, acknowledged, and delivered, all such further acts, documents, and instruments that may reasonably be required to give full effect to the intent of this Agreement.

3. This Agreement is being delivered pursuant to the Partnership Interests Purchase Agreement and will be construed consistently therewith. This Agreement is not intended to, and does not, in any manner enhance, diminish, or otherwise modify the rights and obligations of the Parties under the Partnership Interests Purchase Agreement. To the extent that any provision of this Agreement conflicts or is inconsistent with the terms of the Partnership Interests Purchase Agreement, the terms of the Partnership Interests Purchase Agreement will govern.

4. This Agreement may be executed in multiple counterparts (each of which will be deemed an original, but all of which together will constitute one and the same instrument), and may be delivered by facsimile transmission, with originals to follow by overnight courier or certified mail (return receipt requested).

5. This Agreement and all of the provisions hereof will be binding upon and inure to the benefit of Seller and the Company and their respective successors and permitted assigns.

[Signature Page Follows]

IN WITNESS WHEREOF, Seller and the Company have caused this Agreement to be signed by their respective duly authorized officers as of the date first above written.

Aquila, Inc.

By: _____
Name:
Title:

[Newco Electric LP]

By: _____
Name:
Title:

Exhibit 1.1-B
Form of Assignment of Company Interests
(for the Gas Business)

This Assignment of Company Interests ("Assignment"), is made as of _____ 200___ by and among Aquila, Inc., a Delaware corporation ("Seller"), Aquila Colorado, LLC, a Delaware limited liability company ("Limited Partner"), as the limited partner of **[Newco Gas LP]**, a Delaware limited partnership (the "Company"), Black Hills Corporation, a South Dakota corporation ("Buyer"), and **[Buyer's LP designee]**, a Delaware limited liability company ("Buyer Limited Partner"). Unless otherwise indicated, capitalized terms used but not otherwise defined herein have the meanings ascribed to such terms in the Partnership Interests Purchase Agreement (as defined below).

WHEREAS, Seller has entered into an Agreement and Plan of Merger dated February 6, 2007 (the "Merger Agreement") among Seller, Great Plains Energy Incorporated, a Missouri corporation ("Parent"), Gregory Acquisition Corp., a Delaware corporation and a wholly-owned subsidiary of Parent ("Merger Sub"), and Buyer, which, among other things, provides for the merger of Merger Sub with and into Seller immediately after the Closing.

WHEREAS, Buyer, Seller, as the general partner of the Company and of [Newco Electric, LP], a Delaware limited partnership ("Electric Opco"), Limited Partner, as the limited partner of the Company and of Electric Opco, Parent and Merger Sub, entered into that certain Partnership Interests Purchase Agreement, dated February 6, 2007 (the "Partnership Interests Purchase Agreement"), pursuant to which, among other things, Seller and Limited Partner agreed to assign to Buyer and its designee all of Seller's and Limited Partner's respective rights, title and interest in and to the Company Interests.

NOW, THEREFORE, pursuant and subject to the terms of the Partnership Interests Purchase Agreement and in consideration of the mutual covenants set forth below and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller, Limited Partner, Buyer and Buyer Limited Partner agree as follows:

1. Seller hereby assigns and transfers all of the Company Interests that it holds in the Company to Buyer, and Buyer hereby accepts such assignment.

2. Limited Partner hereby assigns and transfers all of the Company Interests that it holds in the Company to Buyer Limited Partner, and Buyer Limited Partner hereby accepts such assignment.

3. Seller, Limited Partner, Buyer and Buyer Limited Partner agree, on behalf of themselves and their respective successors and assigns, to do, execute, acknowledge, and deliver, or to cause to be done, executed, acknowledged, and delivered, all such further acts, documents, and instruments that may reasonably be required to give full effect to the intent of this Assignment.

4. This Assignment is being delivered pursuant to the Partnership Interests Purchase Agreement and will be construed consistently therewith. This Assignment is not intended to, and

does not, in any manner enhance, diminish, or otherwise modify the rights and obligations of the Parties under the Partnership Interests Purchase Agreement. To the extent that any provision of this Assignment conflicts or is inconsistent with the terms of the Partnership Interests Purchase Agreement, the terms of the Partnership Interests Purchase Agreement will govern.

5. This Assignment may be executed in multiple counterparts (each of which will be deemed an original, but all of which together will constitute one and the same instrument), and may be delivered by facsimile transmission, with originals to follow by overnight courier or certified mail (return receipt requested).

6. This Assignment and all of the provisions hereof will be binding upon and inure to the benefit of Seller, Limited Partner, Buyer, Buyer Limited Partner and their respective successors and permitted assigns.

[Signature Page Follows]

IN WITNESS WHEREOF, Buyer, Buyer Limited Partner, Seller and Limited Partner have caused this Assignment to be signed by their respective duly authorized officers as of the date first above written.

Aquila, Inc.

By: _____
Name:
Title:

Aquila Colorado, LLC

By: _____
Name:
Title:

Black Hills Corporation

By: _____
Name:
Title:

[Buyer Limited Partner]

By: _____
Name:
Title:

Form of Assignment of Company Interests
(for the Electric Business)

This Assignment of Company Interests ("Assignment"), is made as of _____, 200__ by and among Aquila, Inc., a Delaware corporation ("Seller"), Aquila Colorado, LLC, a Delaware limited liability company ("Limited Partner"), as the limited partner of **[Newco Electric LP]**, a Delaware limited partnership (the "Company"), Black Hills Corporation, a South Dakota corporation ("Buyer"), and **[Buyer's LP designee]**, a Delaware limited liability company ("Buyer Limited Partner"). Unless otherwise indicated, capitalized terms used but not otherwise defined herein have the meanings ascribed to such terms in the Partnership Interests Purchase Agreement (as defined below).

WHEREAS, Seller has entered into an Agreement and Plan of Merger dated February 6, 2007 (the "Merger Agreement") among Seller, Great Plains Energy Incorporated, a Missouri corporation ("Parent"), Gregory Acquisition Corp., a Delaware corporation and a wholly-owned subsidiary of Parent ("Merger Sub"), and Buyer, which, among other things, provides for the merger of Merger Sub with and into Seller immediately after the Closing.

WHEREAS, Buyer, Seller, as the general partner of the Company and of [Newco Gas, LP], a Delaware limited partnership ("Gas Opco"), Limited Partner, as the limited partner of the Company and of Gas Opco, Parent and Merger Sub, entered into that certain Partnership Interests Purchase Agreement, dated February 6, 2007 (the "Partnership Interests Purchase Agreement"), pursuant to which, among other things, Seller and Limited Partner agreed to assign to Buyer and its designee all of Seller's and Limited Partner's respective rights, title and interest in and to the Company Interests.

NOW, THEREFORE, pursuant and subject to the terms of the Partnership Interests Purchase Agreement and in consideration of the mutual covenants set forth below and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller, Limited Partner, Buyer and Buyer Limited Partner agree as follows:

1. Seller hereby assigns and transfers all of the Company Interests that it holds in the Company to Buyer, and Buyer hereby accepts such assignment.

2. Limited Partner hereby assigns and transfers all of the Company Interests that it holds in the Company to Buyer Limited Partner, and Buyer Limited Partner hereby accepts such assignment.

3. Seller, Limited Partner, Buyer and Buyer Limited Partner agree, on behalf of themselves and their respective successors and assigns, to do, execute, acknowledge, and deliver, or to cause to be done, executed, acknowledged, and delivered, all such further acts, documents, and instruments that may reasonably be required to give full effect to the intent of this Assignment.

4. This Assignment is being delivered pursuant to the Partnership Interests Purchase Agreement and will be construed consistently therewith. This Assignment is not intended to, and does not, in any manner enhance, diminish, or otherwise modify the rights and obligations of the

Parties under the Partnership Interests Purchase Agreement. To the extent that any provision of this Assignment conflicts or is inconsistent with the terms of the Partnership Interests Purchase Agreement, the terms of the Partnership Interests Purchase Agreement will govern.

5. This Assignment may be executed in multiple counterparts (each of which will be deemed an original, but all of which together will constitute one and the same instrument), and may be delivered by facsimile transmission, with originals to follow by overnight courier or certified mail (return receipt requested).

6. This Assignment and all of the provisions hereof will be binding upon and inure to the benefit of Seller, Limited Partner, Buyer, Buyer Limited Partner and their respective successors and permitted assigns.

[Signature Page Follows]

IN WITNESS WHEREOF, Buyer, Buyer Limited Partner, Seller and Limited Partner have caused this Assignment to be signed by their respective duly authorized officers as of the date first above written.

Aquila, Inc.

By: _____
Name:
Title:

Aquila Colorado, LLC

By: _____
Name:
Title:

Black Hills Corporation

By: _____
Name:
Title:

[Buyer Limited Partner]

By: _____
Name:
Title:

Exhibit 1.1-C
Form of Assignment of Easements
(for the Gas Business)

This Assignment of Easements ("Assignment"), is made as of _____, 200__ by and between Aquila, Inc., a Delaware corporation ("Seller"), and **[Newco Gas LP]**, a Delaware limited partnership (the "Company"). Unless otherwise indicated, capitalized terms used but not otherwise defined herein have the meanings ascribed to such terms in the Partnership Interests Purchase Agreement (as defined below).

WHEREAS, Seller has entered into an Agreement and Plan of Merger dated February 6, 2007 (the "Merger Agreement") among Seller, Great Plains Energy Incorporated, a Missouri corporation ("Parent"), Gregory Acquisition Corp., a Delaware corporation and wholly-owned subsidiary of Parent ("Merger Sub"), and Black Hills Corporation, a South Dakota corporation ("Buyer"), which, among other things, provides for the merger of Merger Sub with and into Seller immediately after the Closing.

WHEREAS, Buyer, Seller, as the general partner of the Company and of [Newco Electric, LP], a Delaware limited partnership ("Electric Opco"), Aquila Colorado, LLC, a Delaware limited liability company ("Limited Partner"), as the limited partner of the Company and of Electric Opco, Parent and Merger Sub, entered into that certain Partnership Interests Purchase Agreement, dated February 6, 2007 (the "Partnership Interests Purchase Agreement"), pursuant to which, among other things, the Company agreed to assume from Seller the Gas Business Assumed Obligations, and Seller agreed to assign to the Company all of Seller's rights to the Gas Business Purchased Assets, including the Easements.

NOW, THEREFORE, pursuant and subject to the terms of the Partnership Interests Purchase Agreement and in consideration of the mutual covenants set forth below and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and the Company agree as follows:

1. Seller hereby assigns and transfers all of the Easements to the Company, and the Company hereby accepts such assignment.

2. Seller and the Company agree, on behalf of themselves and their respective successors and assigns, to do, execute, acknowledge, and deliver, or to cause to be done, executed, acknowledged, and delivered, all such further acts, documents, and instruments that may reasonably be required to give full effect to the intent of this Assignment.

3. This Assignment is being delivered pursuant to the Partnership Interests Purchase Agreement and will be construed consistently therewith. This Assignment is not intended to, and does not, in any manner enhance, diminish, or otherwise modify the rights and obligations of the Parties under the Partnership Interests Purchase Agreement. To the extent that any provision of this Assignment conflicts or is inconsistent with the terms of the Partnership Interests Purchase Agreement, the terms of the Partnership Interests Purchase Agreement will govern.

4. This Assignment may be executed in multiple counterparts (each of which will be deemed an original, but all of which together will constitute one and the same instrument), and may be delivered by facsimile transmission, with originals to follow by overnight courier or certified mail (return receipt requested).

5. This Assignment and all of the provisions hereof will be binding upon and inure to the benefit of Seller and the Company and their respective successors and permitted assigns.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company and Seller have caused this Assignment to be signed by their respective duly authorized officers as of the date first above written.

Aquila, Inc.

By: _____
Name:
Title:

[Newco Gas LP]

By: _____
Name:
Title:

Form of Assignment of Easements
(for the Electric Business)

This Assignment of Easements ("Assignment"), is made as of _____, 200__ by and between Aquila, Inc., a Delaware corporation ("Seller"), and **[Newco Electric LP]**, a Delaware limited partnership ("the Company"). Unless otherwise indicated, capitalized terms used but not otherwise defined herein have the meanings ascribed to such terms in the Partnership Interests Purchase Agreement (as defined below).

WHEREAS, Seller has entered into an Agreement and Plan of Merger dated February 6, 2007 (the "Merger Agreement") among Seller, Great Plains Energy Incorporated, a Missouri corporation ("Parent"), Gregory Acquisition Corp., a Delaware corporation and wholly-owned subsidiary of Parent ("Merger Sub"), and Black Hills Corporation, a South Dakota corporation ("Buyer"), which, among other things, provides for the merger of Merger Sub with and into Seller immediately after the Closing.

WHEREAS, Buyer, Seller, as the general partner of the Company and of [Newco Gas, LP], a Delaware limited partnership ("Gas Opco"), Aquila Colorado, LLC, a Delaware limited liability company ("Limited Partner"), as the limited partner of the Company, and of Gas Opco, Parent and Merger Sub, entered into that certain Partnership Interests Purchase Agreement, dated February 6, 2007 (the "Partnership Interests Purchase Agreement"), pursuant to which, among other things, the Company agreed to assume from Seller the Electric Business Assumed Obligations, and Seller agreed to assign to the Company all of Seller's rights to the Electric Business Purchased Assets, including the Easements.

NOW, THEREFORE, pursuant and subject to the terms of the Partnership Interests Purchase Agreement and in consideration of the mutual covenants set forth below and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and the Company agree as follows:

1. Seller hereby assigns and transfers all of the Easements to the Company, and the Company hereby accepts such assignment.

2. Seller and the Company agree, on behalf of themselves and their respective successors and assigns, to do, execute, acknowledge, and deliver, or to cause to be done, executed, acknowledged, and delivered, all such further acts, documents, and instruments that may reasonably be required to give full effect to the intent of this Assignment.

3. This Assignment is being delivered pursuant to the Partnership Interests Purchase Agreement and will be construed consistently therewith. This Assignment is not intended to, and does not, in any manner enhance, diminish, or otherwise modify the rights and obligations of the Parties under the Partnership Interests Purchase Agreement. To the extent that any provision of this Assignment conflicts or is inconsistent with the terms of the Partnership Interests Purchase Agreement, the terms of the Partnership Interests Purchase Agreement will govern.

4. This Assignment may be executed in multiple counterparts (each of which will be deemed an original, but all of which together will constitute one and the same instrument), and

may be delivered by facsimile transmission, with originals to follow by overnight courier or certified mail (return receipt requested).

5. This Assignment and all of the provisions hereof will be binding upon and inure to the benefit of Seller and the Company and their respective successors and permitted assigns.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company and Seller have caused this Assignment to be signed by their respective duly authorized officers as of the date first above written.

Aquila, Inc.

By: _____
Name:
Title:

[Newco Electric LP]

By: _____
Name:
Title:

Exhibit 1.1-D
Form of Bill of Sale
(for the Gas Business)

This Bill of Sale, is made as of _____, _____ by and between Aquila, Inc., a Delaware corporation ("Seller"), and **[Newco Gas LP]**, a Delaware limited partnership (the "Company"). Unless otherwise indicated, capitalized terms used but not otherwise defined herein have the meanings ascribed to such terms in the Partnership Interests Purchase Agreement (as defined below).

WHEREAS, Seller has entered into an Agreement and Plan of Merger dated February 6, 2007 (the "Merger Agreement") among Seller, Great Plains Energy Incorporated, a Missouri corporation ("Parent"), Gregory Acquisition Corp., a Delaware corporation and a wholly-owned subsidiary of Parent ("Merger Sub"), and Black Hills Corporation, a South Dakota corporation ("Buyer") which among other things, provides for the merger of Merger Sub with and into Seller immediately after the Closing.

WHEREAS, Buyer, Seller, as the general partner of the Company and of [Newco Electric, LP], a Delaware limited partnership ("Electric Opco"), Aquila Colorado, LLC, a Delaware limited liability company ("Limited Partner"), as the limited partner of the Company and of Electric Opco, Parent and Merger Sub, entered into that certain Partnership Interests Purchase Agreement, dated February 6, 2007 (the "Partnership Interests Purchase Agreement"), pursuant to which, among other things, Seller agreed to transfer to the Company and the Company agreed to take assignment of all of Seller's rights, title and interests in and to the Gas Business Purchased Assets.

NOW, THEREFORE, pursuant and subject to terms of the Partnership Interests Purchase Agreement and in consideration of the mutual covenants set forth below and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and the Company agree as follows:

1. Seller hereby sells, assigns, conveys, transfers, and delivers to the Company all of Seller's right, title, and interest in, to, and under the Gas Business Purchased Assets, and the Company hereby purchases and accepts from Seller, as of the date hereof, all right, title, and interest of Seller in, to, and under the Gas Business Purchased Assets.

2. Seller and the Company agree, on behalf of themselves and their respective successors and assigns, to do, execute, acknowledge, and deliver, or to cause to be done, executed, acknowledged, and delivered, all such further acts, documents, and instruments that may reasonably be required to give full effect to the intent of this Bill of Sale.

3. This Bill of Sale is being delivered pursuant to the Partnership Interests Purchase Agreement and will be construed consistently therewith. This Bill of Sale is not intended to, and does not, in any manner enhance, diminish, or otherwise modify the rights and obligations of the Parties under the Partnership Interests Purchase Agreement. To the extent that any provision of

this Bill of Sale conflicts or is inconsistent with the terms of the Partnership Interests Purchase Agreement, the terms of the Partnership Interests Purchase Agreement will govern.

4. This Bill of Sale may be executed in multiple counterparts (each of which will be deemed an original, but all of which together will constitute one and the same instrument), and may be delivered by facsimile transmission, with originals to follow by overnight courier or certified mail (return receipt requested).

5. This Bill of Sale and all of the provisions hereof will be binding upon and inure to the benefit of Seller and the Company and their respective successors and permitted assigns.

[Signature Page Follows]

IN WITNESS WHEREOF, Seller and the Company have caused this Bill of Sale to be signed by their respective duly authorized officers as of the date first above written.

SELLER:

Aquila, Inc.

By: _____
Name:
Title:

COMPANY:

[Newco Gas LP]

By: _____
Name:
Title:

Form of Bill of Sale
(for the Electric Business)

This Bill of Sale, is made as of _____, _____ by and between Aquila, Inc., a Delaware corporation ("Seller"), and **[Newco Electric LP]**, a Delaware limited partnership (the "Company"). Unless otherwise indicated, capitalized terms used but not otherwise defined herein have the meanings ascribed to such terms in the Partnership Interests Purchase Agreement (as defined below).

WHEREAS, Seller has entered into an Agreement and Plan of Merger dated February 6,2007 (the "Merger Agreement") among Seller, Great Plains Energy Incorporated, a Missouri corporation ("Parent"), Gregory Acquisition Corp., a Delaware corporation and a wholly-owned subsidiary of Parent ("Merger Sub"), and Black Hills Corporation, a South Dakota corporation ("Buyer"), which among other things, provides for the merger of Merger Sub with and into Seller immediately after the Closing.

WHEREAS, Buyer, Seller, as the general partner of the Company and of [Newco Gas, LP], a Delaware limited partnership ("Gas Opco"), Aquila Colorado, LLC, a Delaware limited liability company ("Limited Partner"), as the limited partner of the Company and of Gas Opco, Parent and Merger Sub, entered into that certain Partnership Interests Purchase Agreement, dated February 6, 2007 (the "Partnership Interests Purchase Agreement"), pursuant to which, among other things, Seller agreed to transfer to the Company and the Company agreed to take assignment of all of Seller's rights, title and interests in and to the Electric Business Purchased Assets.

NOW, THEREFORE, pursuant and subject to terms of the Partnership Interests Purchase Agreement and in consideration of the mutual covenants set forth below and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and the Company agree as follows:

1. Seller hereby sells, assigns, conveys, transfers, and delivers to the Company all of Seller's right, title, and interest in, to, and under the Electric Business Purchased Assets, and the Company hereby purchases and accepts from Seller, as of the date hereof, all right, title, and interest of Seller in, to, and under the Electric Business Purchased Assets.

2. Seller and the Company agree, on behalf of themselves and their respective successors and assigns, to do, execute, acknowledge, and deliver, or to cause to be done, executed, acknowledged, and delivered, all such further acts, documents, and instruments that may reasonably be required to give full effect to the intent of this Bill of Sale.

3. This Bill of Sale is being delivered pursuant to the Partnership Interests Purchase Agreement and will be construed consistently therewith. This Bill of Sale is not intended to, and does not, in any manner enhance, diminish, or otherwise modify the rights and obligations of the Parties under the Partnership Interests Purchase Agreement. To the extent that any provision of this Bill of Sale conflicts or is inconsistent with the terms of the Partnership Interests Purchase Agreement, the terms of the Partnership Interests Purchase Agreement will govern.

4. This Bill of Sale may be executed in multiple counterparts (each of which will be deemed an original, but all of which together will constitute one and the same instrument), and may be delivered by facsimile transmission, with originals to follow by overnight courier or certified mail (return receipt requested).

5. This Bill of Sale and all of the provisions hereof will be binding upon and inure to the benefit of Seller and the Company and their respective successors and permitted assigns.

[Signature Page Follows]

IN WITNESS WHEREOF, Seller and the Company have caused this Bill of Sale to be signed by their respective duly authorized officers as of the date first above written.

SELLER:

Aquila, Inc.

By: _____
Name:
Title:

COMPANY:

[Newco Electric LP]

By: _____
Name:
Title

Closing Date, a copy of each pending or final domestic relations order affecting the benefit of any Transferred Employee or Other Plan Participant, and such other information as may be reasonably requested by Buyer consistent with applicable Law to facilitate or assist with such transition or the establishment of necessary records.

(2) Transfer of Assets.

(a) Not later than ten (10) days after the Closing, Seller will, or Parent will cause Seller's successor to, direct its actuary to determine the amount of assets allocable to the benefits with respect to the Transferred Employees and Other Plan Participants in the Seller Pension Plan based on section 4044 of ERISA and the Pension Benefit Guaranty Corporation regulations promulgated thereunder, and in compliance with section 414(l) of the Code using the safe harbor assumptions thereunder (the "Section 4044 Amount"), measured as of the Closing Date. The actuarial assumptions used in the Section 4044 Amount determination shall be limited to the safe harbor assumptions specified under Section 4.14(l) of the Code. Seller will, or Parent will cause Seller's successor to, provide the information used to compute the Section 4044 Amount for review by Buyer's actuary before such amount is transferred.

(b) In accordance with the procedures set forth in this Paragraph A(2)(b), Seller will, or Parent will cause Seller's successor to, cause cash (or other assets as Seller or its successor and Buyer mutually agree) equal to the Section 4044 Amount to be transferred to the trust established by Buyer as part of the Buyer Pension Plan (the "Buyer Pension Plan Trust"). On the Initial Transfer Date, Seller will, or Parent will cause Seller's successor to, cause the trust which is a part of the Seller Pension Plan (the "Seller Pension Plan Trust") to make a transfer of cash or other assets as Seller or its successor and Buyer mutually agree equal to the Initial Transfer Amount to the Buyer Pension Plan Trust. The "Initial Transfer Date" is the date that is twenty (20) Business Days after the requirements of Paragraphs A(2)(d) and A(2)(e) have been met. The "Initial Transfer Amount" means 75% of Seller's or its successor's good faith estimate of the Section 4044 Amount. As soon as practicable after the Section 4044 Amount is determined in accordance with the requirements of Paragraph A(2)(a), and in no event more than sixty (60) days after such final determination, the True-Up Amount shall be transferred as provided below (the "True-Up Date"). If the Section 4044 Amount adjusted for earnings and losses of the assets of the Seller Pension Plan from the Closing Date through the True-Up Date (the "Increased Section 4044 Amount"), is greater than the Reduction Amount adjusted for earnings and losses of the assets of the Seller Pension Plan from the Closing Date through the True-Up Date (the "Increased Reduction Amount"), then Seller will, or Parent will cause Seller's successor to, cause a transfer in cash or other assets as Seller or its successor and Buyer mutually agree equal to the True-Up Amount to be made from the Seller Pension Plan Trust to the Buyer Pension Plan Trust. If the Increased Reduction Amount is greater than the Increased Section 4044 Amount, then Buyer will cause a transfer in cash or other assets as Seller or its successor and Buyer mutually agree equal to the True-Up Amount to be made from the Buyer Pension Plan Trust to the Seller Pension Plan Trust. The "True-Up Amount," if any, means the difference between the Increased Section 4044 Amount and the Increased Reduction Amount. The "Reduction Amount" equals the sum of (x) the Initial Transfer Amount, plus (y) benefit payments made to any Transferred Employees and Other Plan Participants by the Seller Pension Plan after the Closing Date. For purposes of these calculations, the earnings and losses of the assets of the Seller Pension Plan from the Closing Date through the True-Up Date shall be the net investment

returns reasonably calculated by the trustee of the Seller Pension Plan for each month between the Closing Date and the True-Up Date. Seller will, or Parent will cause Seller's successor to, provide the information used to make such calculations and compute the True-Up Amount for review by Buyer's actuary before any such amounts are transferred.

(c) To the extent that under Section 8.8 Buyer has agreed to accept a liability of Seller under any of Seller's Benefit Plans (other than the Seller Pension Plan) with respect to employees of Seller that are Business Employees, Transferred Employees, Current Retirees or Covered Individuals, and such Benefit Plans, including any non-qualified deferred compensation plan or agreement, is funded through or maintained in connection with a grantor trust, secular trust, Voluntary Employees' Beneficiary Association or other trusts or arrangements used to provide benefits payable under any such plan or agreement, as promptly as practicable after the Closing, Buyer and Seller will, or Parent will cause Seller's successor to, determine the amount of assets in such trusts or other arrangements historically allocated to the Business, the Business Employees, Transferred Employees, or other Covered Individuals with respect to liabilities assumed by Buyer, and such assets shall be transferred, to the extent consistent with the terms of any such trust as in effect on the date hereof and not contrary to applicable Law, to a similar trust or arrangement established and maintained by Buyer to fund such benefits. Seller shall use reasonable best efforts to make or cause to be made any required amendments to such trusts and agreements to provide for the transfers described in this Paragraph A(2)(c).

(d) In connection with the transfer of assets and liabilities pursuant to this Section, Seller will, or Parent will cause Seller's successor to, provide to Buyer, and Buyer will provide to Seller or its successor, evidence reasonably satisfactory to the other Party that the other Party's Pension Plan is or continues to be qualified under section 401(a) of the Code and is in compliance with the funding requirements of section 302 of ERISA and section 412 of the Code.

(e) In connection with the transfer of assets and liabilities pursuant to Paragraph A, the Companies, Buyer and Seller will, or Parent will cause Seller's successor to, cooperate with each other in making all appropriate filings required by the Code or ERISA in a timely manner, but not later than within thirty (30) days after the Closing Date, and the transfer of assets and liabilities from the Seller Pension Plan pursuant to this Exhibit 8.8(d)(ii)(C) will not take place until after the expiration of the thirty (30) day period following the filing of any required notices with the Internal Revenue Service pursuant to section 6058(b) of the Code.

(3) Benefits. The benefit provided by the Buyer Pension Plan to each Transferred Employee and Other Plan Participant who becomes a participant in the Buyer Pension Plan will be at least equal to the benefits accrued by such Transferred Employee or Other Plan Participant under the Seller Pension Plan on the Closing Date, computed by taking into account the service credited to such Transferred Employee and Other Plan Participant with Seller and Buyer (in the case of service of Transferred Employees with Buyer, such service will be required to be taken into account only for the purpose of vesting and early retirement subsidies or as otherwise required by applicable Law).

B. Further Purchase Price Adjustment.

(1) Adjusted Section 4044 Amount. Seller will, or Parent will cause Seller's successor to, also calculate the Section 4044 Amount using the same assumptions and methodologies as used to calculate the Section 4044 Amount pursuant to Paragraph A(2)(a), but adjusted to remove from the assets of the Seller Pension Plan an amount equal to Seller's contributions to the Seller Pension Plan made between the date hereof and the Closing Date (the Section 4044 Amount so adjusted, the "Adjusted Section 4044 Amount"). Seller shall, or Parent shall cause Seller's successor to, provide the information used to compute the Adjusted Section 4044 Amount for review by Buyer's actuary. Buyer and Seller, or Parent will cause Seller's successor to, cooperate in good faith and resolve and reconcile any differences or disputes with respect to the calculation of the Adjusted Section 4044 Amount as soon as practicable.

(2) Notwithstanding anything to the contrary herein, the Purchase Price (i) shall be decreased by the amount, if any, by which the Adjusted Section 4044 Amount exceeds the Section 4044 Amount, and (ii) shall be increased by the amount, if any, by which the Adjusted Section 4044 Amount is less than the Section 4044 Amount. On the earlier of the date that the True-Up Amount is transferred, or within five (5) Business Days of the date the True-Up Amount is determined, Buyer shall pay an amount equal to the amount of the increase in the Purchase Price, if any, determined pursuant to this Paragraph B, to Seller or its successor, or Seller shall, or Parent shall cause Seller's successor to, pay an amount equal to the amount of the decrease, if any, in the Purchase Price determined pursuant to this Paragraph B, as applicable, by wire transfer of same day funds.

SECRETARY'S CERTIFICATE

I, Roxann R. Basham, the duly elected and acting Corporate Secretary of Black Hills Corporation, a South Dakota corporation (the "Corporation"), certify that the following resolutions were duly adopted by the Board of Directors of the Corporation on February 5, 2007, and that such resolutions are in full force and effect on the date hereof:

WHEREAS, management presented the material terms and structure of the proposed acquisition of all of the gas utility assets of Aquila, Inc. ("Aquila") in the states of Colorado, Nebraska, Iowa and Kansas and the electric utility assets of Aquila in the state of Colorado for approximately $940,000,000 (the "Asset Transactions"), and discussed how the acquisition supports the Company's Strategic Plan.

WHEREAS, in connection with, and part of the Asset Transactions, Great Plains Energy Incorporated ("Great Plains") intends to merge a wholly-owned subsidiary with and into Aquila immediately following the closing of the Asset Transactions pursuant to an Agreement and Plan of Merger among Aquila, Great Plains, a subsidiary of Great Plains and the Company ("Merger Agreement"), the material terms and structure of which were presented by management.

WHEREAS, the Asset Transactions will be subject to an Asset Purchase Agreement ("APA") among the Company, Aquila, Great Plains and a subsidiary of Great Plains for the Nebraska, Kansas and Iowa utility assets and a Partnership Interests Purchase Agreement ("PIPA") among the Company, Aquila, a subsidiary of Aquila, Great Plains and a subsidiary of Great Plains for the Colorado utility assets, the material terms and structure of which were presented by management.

WHEREAS, in order for the Company and Great Plains to properly service the customers of Aquila after the closing of the APA, PIPA and Merger Agreement, the Company, Great Plains and a subsidiary of Great Plains desire to enter into a Transition Services Agreement ("TSA") for the sharing of the cost of certain services for the acquired utility assets, the terms of which were presented by management.

WHEREAS, management (1) provided an executive summary of the proposed acquisition, including a description of the assets and their business operations, rate regulation, customer base and historical financial performance; (2) described in more detail the financial metrics relating to the proposed acquisition, including financial projections; discussed legal considerations relative to the acquisition, including assumed liabilities and regulatory approvals; (3) discussed issues relating to the integration of the assets and employee groups, including those covered by a collective

RESOLVED, that the terms of and the Asset Transactions contemplated by the APA, PIPA, TSA and Commitment Letter be, and hereby are, approved and the Company is hereby authorized to negotiate, approve, execute, deliver and perform the Company's obligations under the Merger Agreement, APA, PIPA, TSA and Commitment Letter and related ancillary documents, instruments or certificates (collectively referred to hereinafter as the "Transaction Documents"), together with modifications or amendments thereto, to be executed and delivered with respect to the Asset Transactions contemplated under the Transaction Documents, as David R. Emery and Mark T. Thies deem appropriate in the exercise of their discretion.

RESOLVED, that David R. Emery and Mark T. Thies, or their designees, be and hereby are, authorized and empowered, for and on behalf of the Company, to do any and all acts and things, substantially consistent with the principle terms presented to the Board, that they deem, in the exercise of their discretion, necessary, desirable or appropriate for the consummation of the Transaction Documents and the transactions contemplated thereby, including but not limited to the formation of subsidiaries of the Company to own and operate the acquired assets, securing all required third-party consents, making filings seeking approval of the Asset Transactions from the Federal Energy Regulatory Commission, the Federal Trade Commission, the Federal Communications Commission and the state utility regulatory commissions in the states of Colorado, Kansas, Missouri, Iowa and Nebraska.

RESOLVED, that any and all acts, instruments, and other writings previously performed or executed and delivered by David R. Emery or Mark T. Thies, or their designees, on behalf of the Company and in connection with the Asset Transactions, are in all respects ratified, affirmed and approved.

IN WITNESS WHEREOF, I have hereunto set my name and affixed the seal of the Corporation this 28th day of March, 2007.

BLACK HILLS CORPORATION

Roxann R. Basham, Corporate Secretary

(SEAL)

SECRETARY'S CERTIFICATE

I, Christopher M. Reitz, do hereby certify that I am duly elected and acting Secretary of Aquila, Inc. (the "Company"), and as such corporate officer, have in my custody and under my control the corporate records and seal of the Company.

I further certify that the resolutions attached hereto as Exhibit A are full, true and correct copies of resolutions adopted by the Directors of the said Company on February 6, 2007, and said resolution are in full force and effect and have not been amended or revoked.

IN WITNESS WHEREOF, I have hereunto signed this Certificate this 2nd day of March, 2007.

CHRISTOPHER M. REITZ
SECRETARY

EXHIBIT A

RESOLUTIONS

WHEREAS, the Company has retained Lehman Brothers Inc. ("Lehman Brothers"), and The Blackstone Group L.P. ("Blackstone"), and the Board of Directors (the "Board") has retained Evercore Partners L.P. (together with Lehman Brothers and Blackstone, the "Financial Advisors") to assist the Company and the Board with reviewing and analyzing certain strategic alternatives, including a potential merger or sale of the Company;

WHEREAS, after determining that a merger or sale of the Company would maximize stockholder value when compared to other strategic alternatives, the Financial Advisors recommended to the Board that the Company conduct a process to explore a potential merger or sale of the Company (the "Transaction Process");

WHEREAS, in connection with the Transaction Process, the Company's management and the Financial Advisors conducted a process in which they (i) identified more than a dozen transaction candidates, ultimately contacting nine transaction candidates; (ii) entered into confidentiality agreements with seven transaction candidates; (iii) prepared and disseminated a detailed confidential information memoranda to seven transaction candidates; (iv) created comprehensive electronic and physical data rooms; (v) received and evaluated indicative, non-binding bids from five transaction candidates, ultimately inviting all five parties to participate in the next phase of the process; (vi) conducted management presentations for the four transaction candidates that wished to receive presentations; (vii) responded to extensive due diligence questions from the transaction candidates; and (ix) prepared and disseminated a form of merger agreement, including disclosure schedules, to the three transaction candidates that wished to receive those materials;

WHEREAS, after two transaction candidates withdrew from the Transaction Process, the Company received from the only remaining potential counterparties, Great Plains Energy Incorporated, a Missouri corporation and the parent company of Kansas City Power & Light Company ("Great Plains") and Black Hills Corporation, a South Dakota corporation ("Black Hills"), a proposal for a transaction in which the Company's Colorado utilities and Iowa, Kansas and Nebraska gas utilities would be sold to Black Hills, with the remaining assets of the Company being acquired by Great Plains;

WHEREAS, Great Plains required that the Company agree to conduct discussions exclusively with Great Plains and Black Hills as a condition to Great Plains' willingness to proceed with discussions regarding its and Black Hills' proposal and, after reviewing the terms of the proposal and obtaining the advice of the Financial Advisors and its special legal counsel, Fried, Frank, Harris, Shriver and Jacobson LLP, the Board authorized the Company to enter into an exclusivity agreement with Great Plains;

WHEREAS, the Company engaged in extensive negotiations with Great Plains and Black Hills regarding their transaction proposal during which the Company's management, with the assistance of the Financial Advisors, the Company's special legal counsel, and the Company's regulatory counsel, (i) conducted reverse due diligence on Great Plains; (ii) reviewed and analyzed the plans of Great Plains and Black Hills for obtaining the regulatory approvals necessary to complete the transaction and the likelihood of Great Plains and Black Hills successfully obtaining these approvals; and (iii) negotiated terms and conditions of definitive transaction agreements (described below) with Great Plains and Black Hills.

WHEREAS, the Company, Great Plains and Black Hills have negotiated the following definitive transaction agreements:

i. the agreement and plan of merger (the "Merger Agreement"), pursuant to which a wholly-owned subsidiary of Great Plains would merge with and into the Company (the "Merger"), with the Company surviving the Merger and becoming a wholly-owned subsidiary of Great Plains, and all of the outstanding shares of common stock, par value $1.00 per share, of the Company (the "Shares") will be converted into the right to receive the Merger Consideration (as that term is defined in the Merger Agreement);

ii. the asset purchase agreement (the "APA"), pursuant to which the Company's Iowa, Kansas, and Nebraska natural gas businesses and assets will be sold to Black Hills immediately prior to the closing of the Merger (the "Gas Asset Sale"); and

iii. the partnership interests purchase agreement (the "PIPA" and together with the Merger Agreement and the APA, the "Transaction Agreements"), pursuant to which the Company will, immediately prior to the closing of the Merger, transfer (a) its Colorado electric business and assets to a newly-formed limited partnership, (b) its Colorado natural gas business and assets to a newly-formed limited partnership, and (c) the Company's direct and indirect interests in the two newly-formed limited partnerships to Black Hills (the "Equity Sale," and together with the Gas Asset Sale, the "Asset Sale Transactions"), in each case, immediately prior to the closing of the Merger;

WHEREAS, each Financial Advisor has provided to the Board an opinion that the Merger Consideration is fair to the Company's stockholders from a financial point of view; and

WHEREAS, after review of presentations by, and discussions with the Company's management, the Financial Advisors, and the Company's special legal counsel, Fried, Frank, Harris, Shriver & Jacobson, LLP, regarding the Transaction Process, and the terms and conditions of the Transaction Agreements, the Board believes the Merger and the Asset Sale Transactions, together, are fair to and in the

best interests of the Company and its stockholders and the Merger Agreement and other Transaction Agreements are advisable;

NOW THEREFORE, BE IT:

RESOLVED, that the Transaction Agreements and the transactions contemplated thereby, including the Merger and the Asset Sale Transactions, and all documents contemplated thereby or otherwise related thereto (the "Related Documents") be and they hereby are authorized and approved and the Merger Agreement and other Transaction Agreements are hereby declared advisable;

FURTHER RESOLVED, that the Board hereby recommends that the Company's stockholders vote to adopt the Merger Agreement and approve the Merger and authorizes the Company to include this recommendation in the Proxy Material (as hereinafter defined);

FURTHER RESOLVED, that, pursuant to Section 251(c) of the Delaware General Corporation Law (the "DGCL"), the Board hereby directs that the Merger shall be submitted to the stockholders of the Company for their consideration and approval at a stockholders meeting (the "Stockholders Meeting") to be held in accordance with the applicable provisions of the DGCL as soon as practicable after the execution and delivery of the Merger Agreement and the clearance of the Proxy Material by the Securities and Exchange Commission, with the date, time and place of the Stockholders Meeting and the applicable record date to be determined by the Board (and, if appropriate, in consultation with Great Plains), and each of the Authorized Officers (as hereinafter defined) is hereby authorized and empowered to arrange for the solicitation of proxies from the stockholders of the Company and take all other legal action necessary to obtain the approval of those stockholders of the Merger Agreement and the Merger;

FURTHER RESOLVED, that the Authorized Officers are, and each of them acting individually is, hereby authorized, empowered and directed to prepare and file, or cause to be prepared and filed, all documentation necessary and incidental to the consummation of the transactions contemplated by the Transaction Agreements and the Related Documents, including, without limitation:

(i) the filing with the Department of Justice and the Federal Trade Commission Notifications and Report Forms pursuant to the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and any other reports, documents or information necessary or advisable to be filed thereunder, and any other reports, documents, applications or information as may be necessary or advisable to be filed with any governmental authority, in each case, with respect to or in connection with the consummation of the transactions contemplated by the Transaction Agreements and the Related Documents;

(ii) the filing with the Securities and Exchange Commission of a proxy statement/prospectus relating to the matters to be

submitted to the Company's stockholders at the Stockholders Meeting, including a form of proxy, in preliminary and final form (the "Proxy Material"); and

(iii) the filing with or notification to any local, state or federal public utility commissions or similar local, state and foreign regulatory bodies, including the United States Federal Energy Regulatory Commission, the United States Federal Communications Commission, and any other local, state or federal governmental authority as may be necessary or advisable with respect to the transactions contemplated by the Transaction Agreements and Related Documents.

FURTHER RESOLVED, that the Merger, upon the terms and conditions set forth in the Merger Agreement (including the conversion of the Shares into the right to receive the Merger Consideration), be and hereby is approved for purposes of Section 203 of the DGCL and any other statute which might apply to the foregoing transactions and Article Seven of the Company's certificate of incorporation;

FURTHER RESOLVED, that the employee retention plan (the "Retention Plan"), the terms and conditions of which have previously been reviewed by the Compensation and Benefits Committee of the Board, are designed to retain key employees of the Company through the period during which the Merger will be consummated and a copy of which has been provided to Great Plains, is hereby approved, provided that the cash amount to be paid out under the Retention Plan shall not exceed $8,600,000 in the aggregate;

FURTHER RESOLVED, that the Chief Executive Officer, the Chief Operating Officer, the Chief Accounting Officer, Treasurer, and the Senior Vice Presidents of the Company (the "Authorized Officers") be, and each Authorized Officer hereby is, authorized to negotiate, execute, and deliver on behalf of the Company the Transaction Agreements and the Related Documents, and any amendments and ancillary agreements and instruments thereto from time to time, containing such terms and conditions as the Authorized Officers or any of them deem necessary, advisable, or appropriate, provided that the terms and conditions of the any amendments, ancillary agreements or instruments to the Transaction Agreements are materially consistent with the terms and conditions presented by the Company's management and the Financial Advisors to the Board;

FURTHER RESOLVED, that the Company is hereby authorized to perform its obligations under the Transaction Agreements, including by taking such steps as may be necessary, advisable, or appropriate, as determined by the Authorized Officers, to satisfy the conditions to completing the Merger, the Asset Sale Transactions, and the other transactions contemplated by the Transaction Agreements and Related Documents;

FURTHER RESOLVED, that the Authorized Officers are, and each of them acting individually is, hereby authorized, empowered and directed in the name and on behalf of the Company, to do and perform all such additional actions including: (i)

seeking all requisite consents and approvals and taking those actions as are necessary or advisable to comply with the requirements of federal, state and foreign laws or regulations; (ii) retaining advisors, consultants and agents (including an exchange agent); (iii) incurring and paying any fees, costs and expenses; (iv) filing with the appropriate state and federal governmental authorities and self-regulatory organizations any further certificates, instruments and other documents; (v) obtaining any and all other third-party consents and approvals required in connection with the Merger and the Asset Sale Transactions or the other transactions contemplated by the Transaction Documents and Related Documents; (vi) taking those steps as may be necessary, advisable, or appropriate, as determined by the Authorized Officers to assist Great Plains and Black Hills (including their respective subsidiaries) in consummating the Merger and the Asset Sale Transactions, including assisting (A) Great Plains and Black Hills with the separation and transition of certain assets and operations as part of the Asset Sale Transactions, (B) Black Hills with its financing efforts to raise the capital required to fund the purchase price of the Asset Sale Transactions, and (C) Great Plains and Black Hills with the preparation of audited financial statements of certain of the Company's assets and operations; and (vii) executing, delivering and performing all agreements, alterations or amendments to agreements, undertakings, obligations, certificates, instruments, notices, filings, opinions and other documents and taking such action as the Authorized Officers, or any of them, consider necessary, advisable or appropriate, on behalf of the Company or otherwise, in each case in order to effectuate the foregoing resolutions and to carry out the intent and purposes thereof or otherwise to effectuate any of the transactions contemplated by the Transaction Agreements and the Related Documents, including, without limitation, the Merger and the Asset Sale Transactions; and

FURTHER RESOLVED, that all actions heretofore taken by any officer or director of the Company in connection with the Transaction Agreements the Related Documents and the transactions contemplated thereby be, and each of them hereby is, ratified and approved in all respects.

~~CONFIDENTIAL~~

February 6, 2007

Black Hills Corporation
625 9th Street
Rapid City, South Dakota 57709
Attention: Messrs. Mark T. Thies and Garner M. Anderson

Re: Commitment Letter

Ladies and Gentlemen:

Black Hills Corporation (referred to herein at times as "you" and the "Company") have advised ABN AMRO BANK N.V. ("ABN AMRO"), CREDIT SUISSE, Cayman Islands Branch ("Credit Suisse"), UNION BANK OF CALIFORNIA, N.A. ("Union Bank"), and BMO CAPITAL MARKETS FINANCING, INC. ("BMO"; BMO, together with ABN AMRO, Credit Suisse and Union Bank, each referred to herein at times individually as an "Institution" and collectively as the "Institutions") that you are seeking senior unsecured credit facilities consisting of (i) an eighteen month acquisition facility (with a follow-on bridge facility) on the terms and conditions attached as Exhibit A to this Commitment Letter (the "Term Sheet"), which forms an integral part of this Commitment Letter and is incorporated herein by reference (referred to herein at times as the "Acquisition Facility") and (ii) a 364 day backstop revolving credit facility to be generally consistent with the terms and conditions in that certain Credit Agreement dated as of May 5, 2005 by and among, *inter alia*, ABN AMRO, as Agent, you and the various financial institutions party thereto as "Banks" (as amended, supplemented or otherwise modified from time to time prior to the date hereof, the "Existing Credit Agreement"), but updated to reflect current market conditions regarding pricing and other economic and financial terms (referred to herein at times as the "Backstop Facility"; the Acquisition Facility and the Backstop Facility are referred to herein at times together as the "Facilities").

Each of the Institutions is pleased to advise you it is willing, subject to the terms and conditions contained in the Term Sheet (with respect to the Acquisition Facility) and this Commitment Letter (with respect to the Backstop Facility), to individually each commit (taken together, the "Commitment") (i) to the Acquisition Facility, up to the amount set forth opposite the name of such Institution in Exhibit B attached hereto under the "Acquisition Facility" heading appearing therein, and (ii) solely in the event it is determined by ABN AMRO in consultation with the Company that the required number of banks under the Existing Credit Agreement are not willing to consent to consummation of (x) the Acquisition Facility or the purchase and acquisition of assets from the Target Companies (as defined below) or (y) transactions undertaken by you to raise capital sufficient to consummate such purchase and acquisition, to the Backstop Facility, up to the amount set forth opposite the name of such Institution in Exhibit B attached hereto under the "Backstop Facility" heading appearing therein;

accordingly, if such a consent under the Existing Credit Facility is so delivered, the commitment for the Backstop Facility shall thereby be automatically terminated.

The proceeds of the Acquisition Facility will be used to: (i) finance certain costs and expenses related to the purchase and acquisition of all or substantially all of the assets of Nebraska Gas, Iowa Natural Gas, Colorado Gas, Kansas Gas and Colorado Electric (the "Target Companies"), (ii) repay certain obligations of such regulated utility assets, (iii) finance a portion of the purchase price of such regulated utility assets, and (iv) finance certain transaction and integration costs arising from the foregoing. If the required bank votes are not received under the Existing Credit Agreement and the Backstop Facility is consummated, the proceeds of the Backstop Facility will be used to (x) refinance all indebtedness outstanding under the Existing Credit Agreement, (y) finance certain costs and expenses related to consummation of the Backstop Facility and termination of the Existing Credit Agreement, and (z) other uses of loan proceeds which are currently permitted by the terms of the Existing Credit Agreement.

ABN AMRO will act as the administrative agent (in such capacity, the "Administrative Agent") and arranger in connection with the Facilities.

The fees payable to ABN AMRO and the other Institutions in connection with the Facilities and certain fees payable to the Institutions are set forth in separate letters, both of even date herewith (together, the "Fee Letters").

To assist the Institutions in their respective syndication efforts, you agree to provide upon request by any of them all information reasonably deemed necessary by any of them to successfully complete the syndication of the Facilities.

You hereby agree (and each of the Institutions hereby agrees) ABN AMRO shall have the exclusive right to arrange and syndicate the financing contemplated by the Facilities and that no additional agents, co-agents or arrangers will be appointed, or other titles allocated, without ABN AMRO's prior written consent; provided, (x) ABN AMRO's exclusive right to syndicate the Acquisition Facility shall continue for the first ninety (90) days after the closing of the Acquisition Facility, during which period any syndication of the Acquisition Facility by ABN AMRO will be on a *pro rata* basis among the Institutions based on the proportion of their respective shares of the Commitment for the Acquisition Facility, (y) thereafter, each Institution shall have the ability to assign its portion of the shares of the Commitment for the Acquisition Facility. You also agree that, without the consent of each Institution, none of the Company nor any of its subsidiaries will, directly or indirectly, through any officer, director, agent or otherwise, solicit, initiate or knowingly encourage submission of proposals or offers from any person or entity relating to the financing contemplated by the Facilities, or participate in any negotiations regarding or furnish to any other person or entity any information with respect to, or otherwise cooperate in any way with, or assist or participate in, facilitate or encourage any effort or attempt by any other person or entity to do or seek any of the foregoing. You will (a) provide each Institution with sufficient information, including financial projections, to enable such Institution to prepare an information package describing the Company and its subsidiaries and (b) make the Company's management available for one or more banks' meetings to be held by ABN AMRO during the syndication process. Each Institution shall be expressly permitted to distribute any and all documents and information relating to the transactions contemplated

hereby and received from you or any other source to any potential lender, participant or assignee on a confidential basis.

In addition to the conditions to funding or closing in the Term Sheet (with respect to the Acquisition Facility), the Commitment with respect to the Backstop Facility is subject to satisfaction of the conditions precedent described as "Conditions Precedent" in the Term Sheet (other than clauses (iv) and (v) thereof), in each case as though such "Conditions Precedent" applied to the Backstop Facility instead of the Acquisition Facility (and, in any event, subject only to such conditions precedent).

You hereby represent and covenant that (a) all information (other than Projections (as defined below)) (the "Information") that has been or will be made available to any Institution by you or any of your representatives (in each case, with respect to Information furnished to such Institution prior to the date of commencement of the syndication of the Facilities, as supplemented from time to time prior to such date) is or will be complete and correct in all material respects and does not or will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein not materially misleading in light of the circumstances under which such statements are made and (b) all financial projections ("Projections") that have been or will be made available to any Institution by you or any of your representatives have been or will be prepared in good faith based upon assumptions you believe to be reasonable (it being understood that the Projections are subject to significant uncertainties and contingencies, many of which are beyond your control, and that no assurance can be given that such Projections will be realized). You understand that in arranging and syndicating the Facilities, each Institution may use and rely on the Information and Projections without independent verification thereof. Concurrently with delivery of its signature page hereto, the Company shall deliver an executed officer's certificate by an authorized officer of the Company that states, as of such date and since September 30, 2006 only, no material adverse change in the business, assets, liabilities, properties, condition (financial or otherwise) or results of operations of the Company and its subsidiaries taken as a whole, has occurred and is continuing; provided, any breach or inaccuracy of such statement shall not, in any event, affect the availability of or conditions precedent to either of the Commitments.

In consideration of the execution and delivery of this Commitment Letter by each Institution and the Commitment provided hereunder, you hereby agree to indemnify, exonerate and hold each Institution and each of their respective officers, directors, employees, affiliates and agents (each an "Indemnified Party") free and harmless from and against any and all actions, causes of action, suits, losses, liabilities, damages and expenses, including attorneys' fees and expenses (including the allocated fees and disbursements of internal legal services) (collectively, the "Indemnified Liabilities"), incurred by the Indemnified Parties or any of them as a result of, or arising out of, or relating to the Transactions or other similar transactions financed or proposed to be financed in whole or in part, directly or indirectly, with the proceeds of any of the Facilities, or the execution, delivery, performance or enforcement of this Commitment Letter, or the providing or syndication of the Facilities, by any of the Indemnified Parties, except for any such Indemnified Liabilities arising on account of the applicable Indemnified Party's gross negligence or willful misconduct. If and to the extent that the foregoing undertaking may be unenforceable for any reason, you hereby agree to make the maximum contribution to the payment and satisfaction of each of the Indemnified Liabilities which is permissible under applicable law. No Indemnified Party shall be liable for any damages arising from the use by

others of any information or other materials obtained through Intralinks or other similar information transmission systems in connection with this Commitment Letter, the Transactions, the Facilities or the syndication thereof, nor shall any Indemnified Party have any liability with respect to, and you hereby waive, release and agree not to sue for, any special, indirect or consequential damages relating to this Commitment Letter or arising out of its activities in connection herewith or therewith (whether before or after the closing of either of the Facilities). Your obligations under this paragraph shall expire upon the execution and delivery by you and each Institution of definitive loan documentation, but otherwise will survive the termination of this Commitment Letter.

The reasonable out-of-pocket costs and expenses (including all legal (including the allocated fees and disbursements of internal legal services), environmental, accounting and other consultant costs and fees) incurred by each Institution in connection with the evaluation and/or documentation (including the costs of Intralinks (or other similar information transmission systems), if applicable) of this Commitment Letter, the Facilities (and the syndication thereof) and the other transactions contemplated hereby and thereby shall be payable upon demand by the Company.

Each party acknowledges this Commitment Letter supersedes any and all discussions and understandings, written or oral, between or among any Institution and any other person as to the subject matter hereof, including, without limitation, any prior proposal or commitment letters and term sheets. This Commitment Letter may only be amended, waived or modified in a writing executed by the parties hereto.

The terms contained in this Commitment Letter and the Fee Letters are confidential and, except for disclosure to your board of directors, officers and employees, to professional advisors retained by you, as may be required by law or court order and (solely with respect to this Commitment Letter) to the Target Companies and other sellers, their corporate affiliates and professional advisors retained by them, may not be disclosed in whole or in part to any other person or entity without each Institution's prior written consent; provided, any information with respect to the "tax treatment" or "tax structure" (in each case, within the meaning of Treasury Regulation Section 1.6011-4) of the transactions contemplated herein shall not be confidential and each party hereto may disclose, without limitation of any kind, any information with respect to the "tax treatment" or "tax structure" (in each case, within the meaning of Treasury Regulation Section 1.6011-4). No disclosure permitted above shall create any third-party beneficiary as to the Commitment. This paragraph shall survive any termination of this Commitment Letter.

This Commitment Letter will terminate on February 9, 2007 unless on or before that date you sign and return an enclosed counterpart of this Commitment Letter and the Fee Letters, and it will expire (i) with respect to the Acquisition Facility, on August 5, 2008 (if the Acquisition Facility has not closed on or before that date) and (ii) with respect to the Backstop Facility, on the earlier to occur of (x) delivery to ABN AMRO and you of duly executed consents by the required number of banks under the Existing Credit Agreement to consummation of (1) the Acquisition Facility, (2) the purchase and acquisition of assets from the Target Companies and (3) transactions undertaken by you to raise capital sufficient to consummate such purchase and acquisition and (y) August 5, 2008 (if the Backstop Facility has not closed on or before that date).

Delivery of an executed counterpart of this Commitment Letter by facsimile or other electronic transmission shall constitute valid delivery of an executed counterpart hereof.

This Commitment Letter and the Fee Letters shall each be a contract made and governed by the internal laws of the State of New York applicable to contracts made and to be performed entirely within such state.

EACH OF THE PARTIES HERETO HEREBY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER THIS COMMITMENT LETTER OR EITHER FEE LETTER, AND AGREES THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS COMMITMENT LETTER OR EITHER FEE LETTER, SHALL BE BROUGHT AND MAINTAINED EXCLUSIVELY IN THE COURTS OF THE STATE OF NEW YORK OR IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK; PROVIDED THAT NOTHING IN THIS COMMITMENT LETTER SHALL BE DEEMED OR OPERATE TO PRECLUDE ANY INSTITUTION FROM BRINGING SUIT OR TAKING OTHER LEGAL ACTION IN ANY OTHER JURISDICTION. EACH PARTY HERETO EXPRESSLY AND IRREVOCABLY SUBMITS TO THE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK AND OF THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK FOR THE PURPOSE OF ANY SUCH LITIGATION AS SET FORTH ABOVE. EACH PARTY HERETO EXPRESSLY AND IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUCH LITIGATION BROUGHT IN ANY SUCH COURT REFERRED TO ABOVE AND ANY CLAIM THAT ANY SUCH LITIGATION HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

-Remainder of Page Intentionally Blank; Signature Page Follows-

Each Institution is pleased to have this opportunity and looks forward to working with you.

Very truly yours,

ABN AMRO BANK N.V.

By: _____
Name: Kris Grosshans
Title: Managing Director

By: _____
Name: _____
Title: AVP

CREDIT SUISSE, CAYMAN ISLANDS BRANCH

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

BMO CAPITAL MARKETS FINANCING, INC.

By: _____
Name: _____
Title: _____

UNION BANK OF CALIFORNIA, N.A.

By: _____
Name: _____
Title: _____

CREDIT SUISSE SECURITIES (USA) LLC

By: _____
Name: _____
Title: _____

Accepted and Agreed
as of _____ __, 2007

BLACK HILLS CORPORATION

By: _____
Name: _____
Title: _____

Each Institution is pleased to have this opportunity and looks forward to working with you.

Very truly yours,

ABN AMRO BANK N.V.

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

CREDIT SUISSE, CAYMAN ISLANDS BRANCH

By: _____
Name: James Moran
Title: Managing Director

By: _____
Name: Nupur Kumar
Title: Associate

BMO CAPITAL MARKETS FINANCING, INC.

By: _____
Name: _____
Title: _____

UNION BANK OF CALIFORNIA, N.A.

By: _____
Name: _____
Title: _____

CREDIT SUISSE SECURITIES (USA) LLC

By: _____
Name: James Finch
Title: Managing Director

Accepted and Agreed
as of _____ __, 2007

BLACK HILLS CORPORATION

By: _____
Name: _____
Title: _____

Each Institution is pleased to have this opportunity and looks forward to working with you.

Very truly yours,

ABN AMRO BANK N.V.

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

CREDIT SUISSE, CAYMAN ISLANDS BRANCH

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

BMO CAPITAL MARKETS FINANCING, INC.

By: _____
Name: CAHAC CARMODY
Title: VICE PRESIDENT

UNION BANK OF CALIFORNIA, N.A.

By: _____
Name: _____
Title: _____

CREDIT SUISSE SECURITIES (USA) LLC

By: _____
Name: _____
Title: _____

Accepted and Agreed
as of _____, 2007

BLACK HILLS CORPORATION

By: _____
Name: _____
Title: _____

Each Institution is pleased to have this opportunity and looks forward to working with you.

Very truly yours,

ABN AMRO BANK N.V.

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

CREDIT SUISSE, CAYMAN ISLANDS BRANCH

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

BMO CAPITAL MARKETS FINANCING, INC.

By: _____
Name: _____
Title: _____

UNION BANK OF CALIFORNIA, N.A.

By: _____
Name: Jeffrey P. Fesenmaier, CFA
Title: Assistant Vice President

CREDIT SUISSE SECURITIES (USA) LLC

By: _____
Name: _____
Title: _____

Accepted and Agreed
as of _____, 2007

BLACK HILLS CORPORATION

By: _____
Name: _____
Title: _____

Each Institution is pleased to have this opportunity and looks forward to working with you.

Very truly yours,

ABN AMRO BANK N.V.

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

CREDIT SUISSE, CAYMAN ISLANDS BRANCH

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

BMO CAPITAL MARKETS FINANCING, INC.

By: _____
Name: _____
Title: _____

UNION BANK OF CALIFORNIA, N.A.

By: _____
Name: _____
Title: _____

CREDIT SUISSE SECURITIES (USA) LLC

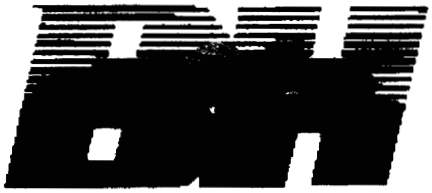
By: _____
Name: _____
Title: _____

~~Accepted and Agreed~~
as of February 6, 2007

BLACK HILLS CORPORATION

By: _____
Name: Mark T. Thies
Title: EVP and CFO

EXHIBIT A TO COMMITMENT LETTER



Summary of Terms and Conditions

Capitalized terms used but not defined herein shall have the respective meanings ascribed thereto in the commitment letter to which this Summary of Terms and Conditions is attached (the "Commitment Letter").

Borrower:	Black Hills Corporation (the "Borrower").
Facilities:	An eighteen (18) month senior unsecured acquisition facility (such eighteen (18) month period beginning on the date the Commitment Letter is executed and delivered by the Borrower (the "Commitment Date")) in the aggregate principal amount of $1,000,000,000 (the "Acquisition Facility") and a follow-on senior unsecured bridge term loan facility in the aggregate principal amount of $1,000,000,000 (the "Bridge Loan" and collectively the "Facilities").
Purpose:	To provide funding for Borrower's acquisition (the "Acquisition") of all or substantially all of the assets of Nebraska Gas, Iowa Natural Gas, Colorado Gas, Kansas Gas and Colorado Electric (the "Target Companies"), including the payment of fees and transaction expenses related to the Acquisition.
Administrative Agent and Bookrunner:	ABN AMRO, in its capacity as administrative agent for the Banks (the "Administrative Agent") and bookrunner.
Co-Arrangers:	ABN AMRO, BMO Capital Markets, Credit Suisse Securities (USA) LLC and Union Bank of California, N.A.
Syndication Agents:	BMO Capital Markets, Credit Suisse Securities (USA) LLC and Union Bank of California, N.A.
Banks:	ABN AMRO, BMO Capital Markets Financing, Inc., Credit Suisse, Cayman Islands Branch, Union Bank of California, N.A. and additional bank(s) to be arranged in consultation with the Borrower.
Closing Date:	The date upon which the Credit Documentation is executed and delivered.

Maturity:

The Acquisition Facility shall have a Maturity Date that is 18 months after the Commitment Date (the "Acquisition Loan Maturity") and the Bridge Loan shall have a Maturity Date that is the earlier to occur of (i) 364 days from the initial funding of the Acquisition Facility and (ii) 2 years after the Commitment Date (the "Bridge Loan Maturity").

Availability:

The Acquisition Facility shall be available in a single draw only (which draw amount may be up to, but not exceeding, the maximum amount of the Acquisition Facility) during the period commencing on the Closing Date and ending on the Acquisition Loan Maturity and once so drawn, the Acquisition Facility shall then immediately convert into a term loan under the Bridge Loan facility.

Security:

Unsecured. The Facilities shall rank pari-passu with other senior unsecured indebtedness of the Borrower.

Documentation:

The Facilities will be evidenced by a credit agreement (the "Credit Agreement") and other legal documents which are usual and customary for facilities of this type and size.

Optional Termination:

The Borrower may irrevocably terminate the Facilities by giving three (3) Business Days written notice thereof to the Administrative Agent.

Interest Rates:

Outstanding amounts shall accrue interest according to the following pricing alternatives, as selected by the Borrower:

A) **Base Rate Option:**
Interest shall be at the Base Rate. The Base Rate is defined as the fluctuating rate of interest equal to the higher of (i) the Federal Funds Rate, as published by the Federal Reserve Bank of New York for such day, plus 1/2% per annum, and (ii) the Prime Commercial Lending Rate of ABN AMRO as announced from time to time. Base rate drawings shall allow same day borrowings and shall be in minimum amounts of $1,000,000 and in incremental multiples of $500,000. Interest shall be calculated on the basis of the actual number of days elapsed in a year of 365/366 days when calculated based on the Prime Rate and a year of 360 days when calculated based upon the Federal Funds Rate.

B) **LIBOR Option:**
Interest shall be determined for periods ("Interest Periods") of 1, 2, 3 or 6 months (as selected by the Borrower) and shall be at a per annum rate equal to the London Interbank Offered Rate ("LIBOR") for the corresponding deposits of U.S. Dollars, plus the Applicable Margin. LIBOR shall be determined by the Administrative Agent two days prior to the start of each Interest Period. Interest shall be paid at the

end of each Interest Period or quarterly, whichever is earlier, and shall be calculated on the basis of the actual number of days elapsed in a year of 360 days. LIBOR shall be adjusted for statutory maximum Regulation D reserve requirements (if any). LIBOR drawings shall require three (3) business day's prior written notice and shall be in minimum amounts of $2,000,000 and in incremental multiples of $1,000,000.

The Applicable Margin shall be (i) 55 basis points during the period from the initial funding under the Bridge Loan to six months thereafter; (ii) 67.5 basis points during the period from six months and one day after the initial funding under the Bridge Loan to nine months thereafter; and (iii) 92.5 basis points during the period from nine months and one day after the initial funding under the Bridge Loan to the Bridge Loan Maturity, *provided, however,* the aforesaid Applicable Margin shall increase 25.0 basis points if the senior unsecured credit rating of the Borrower is lower than BBB- from S&P and/or lower than Baa3 from Moody's.

Default Interest of 2% per annum in excess of the Base Rate

Voluntary Prepayments: At any time, in minimum amounts of (x) $5,000,000 and additional increments of $1,000,000, or (y) the aggregate amount of loans then outstanding, without premium or penalty, subject to payment of breakage costs and funding losses.

Mandatory Prepayments: The Mandatory Prepayments under the Credit Agreement shall consist of customary and appropriate mandatory prepayment provisions for financings of this type, including, but not limited to: (i) 100% of the net after-tax proceeds from asset dispositions by the Borrower and its subsidiaries which exceed, either individually or in the aggregate, $20,000,000; (ii) 100% of the net proceeds of any subordinated debt or permitted senior debt (other than under the Existing Credit Agreement or the Backstop Facility) by the Borrower or any subsidiary (other than Black Hills Power, Inc. and Cheyenne Light, Fuel & Power Company); and (iii) 100% of the net proceeds of any issuance by the Borrower or any subsidiary of: (x) common stock; (y) preferred stock; or (z) convertible debt.

Mandatory Facility Reduction: The $1,000,000,000 commitment for the Acquisition Facility shall be reduced by an amount equal to the net proceeds of (i) asset dispositions which, either individually or in the aggregate, exceed $75,000,000 and (ii) other capital markets transactions which are undertaken to consummate the Acquisition.

Representations & Warranties: Usual and customary for facilities of this type for similar borrowers including, but not limited to, corporate existence,

accuracy of financial statements and other information, compliance with Regulation U and other regulations, no material adverse change since receipt of last financial statements, compliance with ERISA, environmental and other laws, title to properties, and solvency of the Borrower and its subsidiaries and other representations and warranties contained in credit agreements of this type, in form and substance acceptable to the Administrative Agent and the Banks; provided, representations and warranties regarding Borrower, the Target Companies, their subsidiaries and their businesses to be made as a condition precedent to funding of the Acquisition Facility shall be limited as set forth below in the section entitled "Conditions Precedent."

Conditions Precedent: Closing of the Facilities and the making of loans thereunder is subject only to the following conditions precedent:

(i) (y) Execution and delivery of definitive documentation (which documentation shall, with respect to the subject matter contained herein, be reasonably consistent therewith and shall not include terms that impair the availability of the Acquisition Facility or the Backstop Facility at the closing of the Acquisition (if the conditions set forth in clauses (i)(z) and (ii) through (v) below and in clauses (1) and (2) below are satisfied)) customary and reasonably appropriate for the transactions of this type, in each case in form and substance reasonably satisfactory to the Administrative Agent and the Banks (the "Credit Documentation"), and (z) delivery of customary legal opinions, corporate documents and certificates (including but not limited to a solvency certificate).

(ii) The Banks and the Administrative Agent shall have received all fees required to be paid and all reasonable expenses for which invoices have been presented.

(iii) The Borrower shall have delivered a certificate from the Borrower's Secretary or Assistant Secretary as to (w) its organization documents and bylaws (or equivalents); (x) resolutions authorizing the Credit Documentation; (y) incumbency; and (z) certificates of good standing.

(iv) Since September 30, 2006, no "Material Adverse Effect" (as such term is defined on Exhibit A) shall have occurred and be continuing

(v) With respect to the Bridge Loan only, the purchase of assets from the Target Companies shall have been consummated substantially in accordance with applicable law and that certain Asset Purchase Agreement dated as of February 6, 2007 and any schedules, exhibits and other attachments thereto (the "Asset Purchase Agreement") by and among Aquila, Inc., Great Plains Energy Incorporated, Borrower and Gregory Acquisition Corp., without amendment or waiver of material terms or conditions, which agreement shall be reasonably satisfactory to the Banks (it

being agreed the draft of such Asset Purchase Agreement delivered to the Administrative Agent on February 6, 2007 is satisfactory to the Banks).

Notwithstanding anything contained herein or in the Commitment Letter, the Fee Letters, the Credit Documentation or any other letter agreement or other undertaking concerning the Acquisition Facility or Backstop Facility to the contrary, it is hereby agreed and understood the only representations which shall be a condition to the closing of, and initial making of loans under, the Acquisition Facility (as well as, if applicable, the closing of the Backstop Facility) shall be those that relate specifically to:

(1) the Target Companies, their subsidiaries and their businesses and are made by the Target Companies or their subsidiaries or made with respect to the Target Companies, their subsidiaries or their businesses in the Asset Purchase Agreement which, as the result of a breach thereof by a party other than the Borrower under the Asset Purchase Agreement, may form a basis for Borrower to terminate its obligations to consummate the Acquisition as a result thereof; and

(2) the Borrower, its subsidiaries and their businesses and are the "Specified Representations" (as defined below).

For purposes hereof, the term (x) "Specified Representations" means representations and warranties relating to corporate and governmental power and authority to enter into, deliver and perform obligations under the Credit Documentation, enforceability of the Credit Documentation, absence of necessary consents and approvals to enter into and perform obligations under the Credit Documentation, OFAC and Patriot Act, solvency and absence of insolvency and bankruptcy proceedings with respect to Borrower and its "Material Subsidiaries" (as defined below), pari passu nature of Facilities with other senior unsecured debt of Borrower, no acceleration of indebtedness with a principal balance exceeding $50,000,000 of Borrower or its Material Subsidiaries as the result of events of default thereunder shall have occurred and be continuing, Federal Reserve margin regulations, the Investment Company Act and status of the Facilities as senior unsecured debt with respect to Borrower and (y) "Material Subsidiaries" means Black Hills Power, Inc., Black Hills Energy, Inc., Wyodak Resources Development Corp., Black Hills Generation, Inc., Cheyenne Light, Fuel & Power Company, and any other subsidiary of the Borrower whose assets constitute at least 5% of the consolidated assets of the Borrower and not including, in any event, "Project Finance Subsidiaries" (as defined in the Existing Credit Agreement).

There shall be no additional conditions precedent with respect to the closing of the Backstop Facility.

Affirmative and Negative Covenants:	Usual and customary for transactions of this type and substantially similar to those under the credit agreement dated May 5, 2005 between the Borrower and ABN AMRO Bank N.V., as Administrative Agent on behalf of various other banks (the "May, 2005 Agreement"), as modified to accommodate the Acquisition.
Financial Covenants:	Maximum Total Recourse Debt to Total Capitalization ratio not to exceed 65% (or, for the period commencing on the single draw of the Acquisition Facility through the Bridge Loan Maturity, 70%) and measured on a quarterly basis. Minimum Consolidated Net Worth of not less than $625 million plus 50% of Net Income commencing September 30, 2006 and measured at the end of each fiscal quarter. Adjusted Consolidated EBITDA to interest expense of not less than 2.5x, measured on a rolling four quarter basis. "Adjusted Consolidated EBITDA" equals Borrower's consolidated EBITDA less Restricted Earnings. "Restricted Earnings" means, for any period, the amount of all consolidated net income earned by the Borrower's subsidiaries during such period which may not be distributed or paid as a dividend to the Borrower due to contractual or other restrictions on such distributions or dividends.
Events of Default:	Usual and customary for transactions of this type for similar borrowers including, but not limited to: failure to make payments when due on the Facilities; breach of any representation or warranty; breach of any covenant continuing beyond any applicable cure period; bankruptcy of any material subsidiary, cross default to indebtedness of $20,000,000 or greater; and failure to pay within 30 days final judgments in excess of $20,000,000.
Capital Adequacy & Yield Protection:	The Credit Agreement shall contain yield protection provisions appropriate for transactions of this type, including, but not limited to, indemnity provisions relating to increased reserve requirements, changes in law or circumstances, possible future illegality of interest options, "gross up" for taxes (other than on net income), possible inability to determine market rate, capital adequacy, interest period indemnity and breakage and increased costs, redeployment costs and consequential loss.
Indemnification:	The Borrower shall indemnify the Banks and their respective affiliates for all reasonable costs, liabilities and expenses arising out of the collection and enforcement of the Facilities, except to

the extent caused by gross negligence or willful misconduct of the party seeking indemnity.

Assignments & Participations:

The Borrower may not assign any of its rights or obligations under the Credit Documentation. Assignments of commitments (and, after the making of loans under the Facilities, loans) by Banks are subject to the consent of the Borrower and the Administrative Agent (in each case not be unreasonably withheld) and shall be in minimum amount of $5,000,000; provided, however, the consent of the Borrower shall not be unreasonably withheld or delayed and shall not, in any event, be required (i) after the occurrence and during the continuance of an event of default, or (ii) in connection with an assignment to another Bank, affiliates of a Bank or accounts or funds managed by a Bank or an affiliate of a Bank. Participations shall be without restriction, provided that voting rights of participants shall be limited to changes in provisions relating to commitments, payments, interest rates, fees, collateral, guarantees and maturity . The Borrower shall authorize the Banks to release confidential information to prospective participants and assignees, subject to their agreement to keep such information confidential.

Syndication Assistance:

Management of the Borrower shall actively assist Administrative Agent in its syndication efforts and is required, upon request, to (i) provide and cause their advisors to provide them and other syndicate members with all information with respect to the business of Borrower and its affiliates and the transactions to be financed, or which are otherwise closing, in connection with the Facility that is deemed necessary by either of them to complete the syndication including, without limitation, all financial information, evaluations and projections as may reasonably be requested by them; (ii) assist them in the preparation of an information memorandum to be used in connection with the syndication of the Facility if deemed necessary by either of them; and (iii) otherwise assist them in their respective syndication efforts, including using commercially reasonable efforts to make principals of and officers of the Borrower and its affiliates available from time to time to attend and make presentations regarding the business and prospects of Borrower and the Target Companies, as appropriate, at one or more meetings or conference calls with potential Banks.

Defined Terms:

Capitalized terms not otherwise defined herein shall have the meaning given them in the May, 2005 Agreement.

Legal Counsel:

Katten Muchin Rosenman LLP.

Governing Law:

State of New York.

EXHIBIT A

DEFINITION OF "MATERIAL ADVERSE EFFECT"

All capitalized terms used but not otherwise defined in this Exhibit A shall have the respective meanings ascribed thereto in the Asset Purchase Agreement (as such term is defined in the foregoing Summary of Terms and Conditions.

Any event, effect, change or development that, individually or in the aggregate, (i) other than for purposes of Section 9.2(e) of the Asset Purchase Agreement, prevents or materially delays or impairs the ability of Seller to consummate the transactions contemplated therein; or (ii) is materially adverse to the financial condition, properties, assets, liabilities (contingent or otherwise), business, or results of operation of the Business and the Purchased Assets, together with the Colorado Business and the Colorado Assets, taken as a whole, in each case excluding any effect on, change in, or development caused by, or event, effect or development resulting from, or arising out of, (A) factors generally affecting the economy, financial markets, capital markets, or commodities markets, except to the extent the Business and the Purchased Assets, together with the Colorado Business and Colorado Assets, taken as a whole, are adversely affected in a substantially disproportionate manner as compared to similarly situated companies; (B) factors, including changes in Law, generally affecting any industry or any segment of any industry in which the Business operates, except to the extent the Business and the Purchased Assets, together with the Colorado Business and Colorado Assets, taken as a whole, are adversely affected in a substantially disproportionate manner as compared to similarly situated participants in such industry or such segment of such industry; (C) the execution, announcement or performance of this Agreement, the Partnership Interests Purchase Agreement or the Merger Agreement, including, in each case, the impact thereof on relationships, contractual or otherwise, with Governmental Entities, customers, suppliers, licensors, distributors, partners or employees; (D) the commencement, occurrence, continuation or intensification of any war, sabotage, armed hostility or terrorism, other than any matter or event occurring in the geographic region served by the Business and the Purchased Assets, together with the Colorado Business and Colorado Assets, taken as a whole; (E) any event, circumstance or condition disclosed in Schedule 1.1-G to the Asset Purchase Agreement; and (F) any action taken by Seller or any of its Subsidiaries with Buyer's written consent referring to subsection (F) of the definition of "Material Adverse Effect" appearing in the Asset Purchase Agreement.

AQUILA, INC. D/B/A AQUILA NETWORKS-KGO Schedule: INDEX, Third Revised
(Name of Issuing Utility
KANSAS GAS OPERATIONS Replacing: Index No. 1, Schedule INDEX, 1st Revised, Sheet 4 of 4
(Territory to which schedule is applicable) which was filed 8/2/00

No supplement or separate understanding shall modify the tariff as shown hereon. Sheet 4 of 4 Sheets

GENERAL INDEX (continued)

Index of Communities Served

Franchise Communities:		Other Communities:
Andale	Liberal	Ashton
Burdett	Maize	Enterprise
Cimarron	Meade	
Colwich	Montezuma	Hackney
Copeland	Moscow	Haggard
Dodge City	Nickerson	Hayne
Elkhart	Norwich	Johnson
Ensign	Offerle	Kingsdown
Fowler	Olivet	
Garden City	Plains	Milton
Gueda Springs	Plevna	Mitchell
Goodland	Rolla	Mt. Vernon
Hanston	Satanta	Obeeville
Hugoton	South Hutchinson	Peck
Hutchinson	Sterling	Sayre
Jetmore	Sublette	St. Marks
Kanorado	Wichita	Wilroads Garden
Lawrence	Willowbrook	Wright
		Yoder
		Yost

Issued MAY 9, 2005
Month Day Year

Effective JUNE 1, 2005
Month Day Year

By _____
Signature

Steven M. Jurek Vice President, Regulatory Services

05-AQLG-367-RTS
Approved
Kansas Corporation Commission
May 4, 2005
/S/ Susan K. Duffy

NOTICE OF PUBLIC COMMENT PERIOD CONCERNING SALE AND TRANSFER OF AQUILA NETWORKS - KGO TO BLACK HILLS CORPORATION

The Kansas Corporation Commission ("KCC") has established a public comment period concerning a Joint Application by Aquila, Inc., d/b/a Aquila Networks - KGO ("Aquila") and Black Hills Corporation ("Black Hills") and Black Hills/Kansas Gas Utility Company, LLC ("BH Kansas Gas") requesting approval for the sale and transfer of all KCC jurisdictional facilities and customers served by those facilities from Aquila to Black Hills and BH Kansas Gas.

JOINT APPLICATION

In their application, Aquila, Black Hills and BH Kansas Gas have requested approval from the KCC for Aquila to sell and for Black Hills and BH Kansas Gas to purchase all of Aquila's KCC natural gas transmission and distribution facilities located in the state of Kansas. Approximately 106,000 Aquila customers affected by the sale/purchase transfer would become retail customers of BH Kansas Gas. BH Kansas Gas stated it would initially provide service at the same rates and terms currently in effect for like services provided by Aquila.

Black Hills and BH Kansas Gas proposes to pay Aquila more than the regulatory book value of the Aquila property being acquired. The difference between the acquisition payment and the regulatory book value of the Aquila property is referred to as an acquisition premium. Whether or not recovery of this premium will be allowed in the rates paid by BH Kansas Gas customers is an issue that may be decided by the KCC during this proceeding.

KCC REGULATORY RESPONSIBILITY

The KCC is the state regulatory agency charged by the Kansas Legislature with the responsibility to establish fair and reasonable natural gas rates and to assure reliable natural gas service. The KCC Staff is currently investigating whether the proposed transaction, and the resulting transfer of utility facilities and associated service territory and customers, is reasonable and in the public interest. The KCC will consider evidence presented by Aquila, Black Hills, KCC Staff and other intervening parties in making a decision. The KCC is expected to make a decision by the end of _____, 2007.

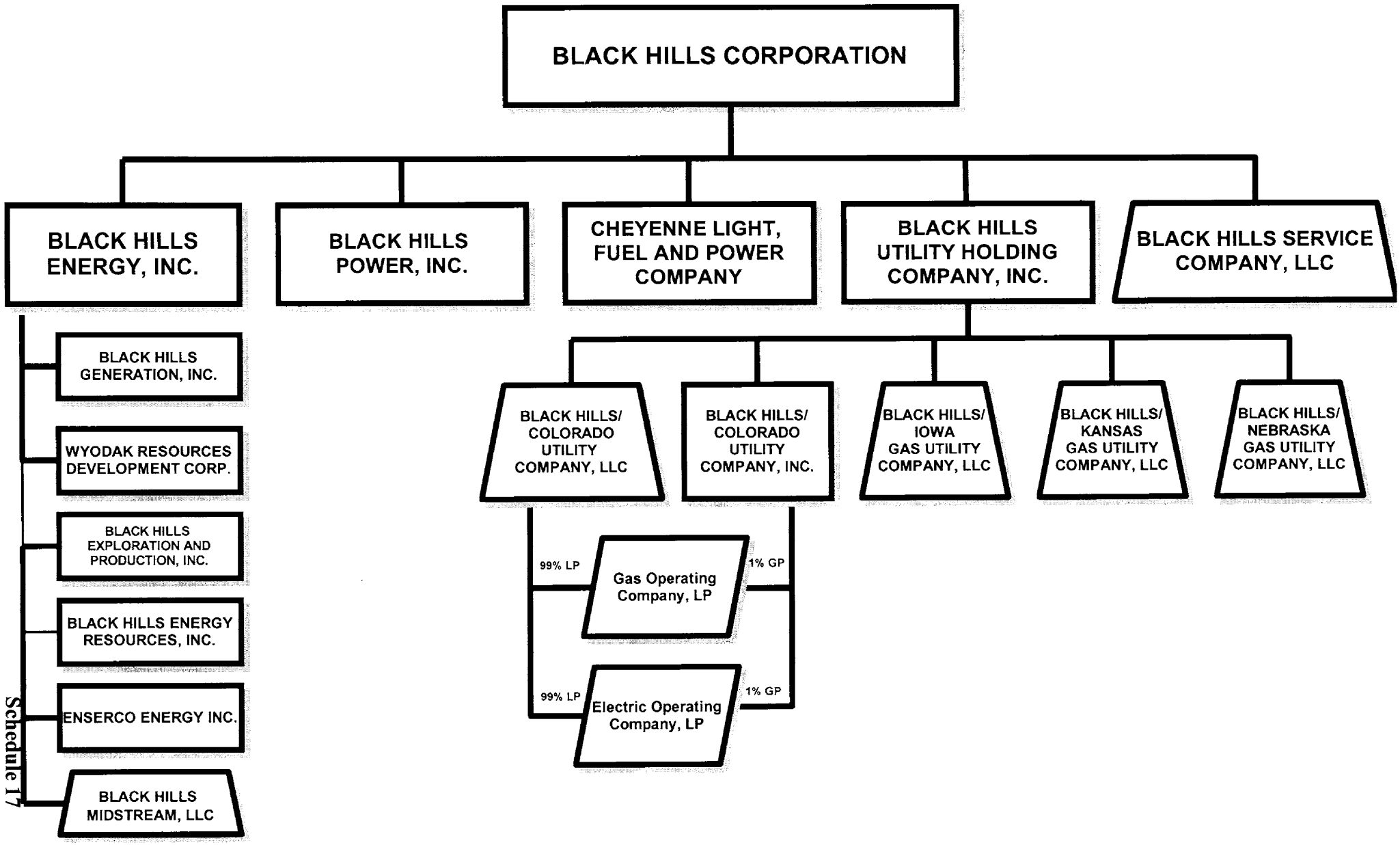
WRITTEN INQUIRIES OR COMMENTS

The KCC will accept written comments from the public regarding this case through _____, 2007. Comments regarding the case should refer to KCC Docket No. _____ and be sent to the KCC office of Public Affairs, 1500 SW Arrowhead Road, Topeka, Kansas 66604-4027 or e-mailed to public.affairs@kcc.state.ks.us. Additional information about the case may be obtained by calling the KCC Office of Public Affairs at 1-800-662-0027 or through the KCC home page at www.kcc.state.ks.us under Docket Filings heading.

KCC EVIDENTIARY HEARING

The KCC will conduct an evidentiary hearing on the Joint Application beginning _____, 2007, at _____. The hearing will be held on the first floor hearing room at the KCC's Topeka office, located at 1500 S.W. Arrowhead Road, Topeka, Kansas. At this hearing KCC Staff, Aquila and Black Hills and any intervening parties will present their case to the Commissioners.

BLACK HILLS CORPORATION
POST-TRANSACTION ORGANIZATIONAL CHART



Schedule 17

SCHEDULE 18

PRO FORMA FINANCIAL INFORMATION FOR BH KANSAS GAS

(TO BE FILED WHEN IT BECOMES AVAILABLE)

SERVICE AGREEMENT
(Utility)

This Service Agreement (the "**Agreement**") is made effective the 1st day of January, 2005, by and between Cheyenne Light, Fuel and Power Company. ("**Client Company**") and Black Hills Service Company, LLC. ("**Service Company**").

WITNESSETH

WHEREAS, the Securities and Exchange Commission (the "**SEC**") has approved and authorized as meeting the requirements of Section 13(b) of the Public Utility Holding Company Act of 1935 (the "**Act**") the organization and conduct of the business of Service Company, in accordance herewith, as a wholly-owned subsidiary service company of Black Hills Corporation ("**Black Hills**").

WHEREAS, Client Company is a utility operating company subsidiary of Black Hills and an affiliate of Service Company.

WHEREAS, Service Company and Client Company have entered into this Service Company whereby Service Company agrees to provide and Client Company agrees to accept and pay for various services as provided herein at cost, with cost determined in accordance with applicable rules and regulations under the Act, which require Service Company to fairly and equitably allocate costs among all associate companies to which it renders services, including Client Company.

NOW THEREFORE, in consideration of the premises and the mutual agreements herein contained, the parties to this Agreement covenant and agree as follows:

ARTICLE 1
SERVICES

Section 1.1 Service Company shall furnish to Client Company, as requested by Client Company, upon the terms and conditions hereinafter set forth, such of the services described in Appendix 1 hereto, at such times, for such periods and in such manner as Client Company may from time to time request and that Service Company concludes it is able to perform. Service Company shall also provide Client Company with such special services, in addition to those services described in Appendix 1 hereto, as may be requested by Client Company and that Service Company concludes it is able to perform. Service Company shall use its best efforts to maintain a staff trained and experienced in the design, construction, operation, maintenance, and management of public utility properties, and shall keep itself and its personnel available to provide services to Client Company so long as it is authorized to do so by the appropriate federal and state regulatory agencies. In supplying such services, Service Company may arrange, where it deems appropriate, for the services of such experts, consultants, advisers, and other persons with necessary qualifications as are required for or pertinent to the provision of such services.

Section 1.2 Client Company shall take from Service Company such of the services described in Section 1.1, and such additional general or special services, whether or not now

contemplated as are requested from time to time by Client Company and that Service Company concludes it is able to perform.

Section 1.3 The services described herein or contemplated to be performed hereunder shall be directly assigned, distributed or allocated by activity, project, program, work order or other appropriate basis. Client Company shall have the right from time to time to amend, alter or rescind any activity, project, program or work order provided that (i) any such amendment or alteration that results in a material change in the scope of the services to be performed or equipment to be provided is agreed to by Service Company, (ii) the cost for the services covered by the activity, project, program or work order shall include any expense incurred by Service Company as a direct result of such amendment, alteration or rescission of the activity, project program or work order, and (iii) no amendment, alteration or rescission of any activity, project, program or work order shall release Client Company from liability for all costs already incurred by or contracted for by Service Company pursuant to the activity, project, program or work order, regardless of whether the services associated with such costs have been completed.

ARTICLE 2
COMPENSATION

Section 2.1 As compensation for the services to be rendered hereunder, Client Company shall pay to Service Company all costs which reasonably can be identified and related to particular services performed by Service Company for or on Client Company's behalf (except as may otherwise be permitted by the SEC). The methods for assigning or allocating Service Company costs to Client Company, as well as to other associate companies, are set forth in Appendix 1.

Section 2.2 The methods of assignment, distribution or allocation of costs described in Appendix 1 shall be subject to review annually, or more frequently if appropriate. Such methods of assignment, distribution or allocation of costs may be modified or changed by Service Company; provided, however, that no changes will be made to the methods of assignment, distribution, or allocation set forth herein or in Appendix 1 hereto unless first authorized by the SEC in accordance with the procedures specified in Section 2.3. Service Company shall advise Client Company from time to time of such changes.

Section 2.3 No change in the organization of the Service Company, the type and character of the companies to be serviced, the methods of allocating costs to associate companies, or in the scope or character of the services to be rendered that are subject to Section 13 of the Act, or any rule, regulation or order thereunder, shall be made (i) unless and until Service Company shall first have given the SEC written notice of the proposed change or (ii) such change is otherwise permitted by SEC rule or practice. If, upon the receipt of any such notice, the SEC shall notify Service Company within the 60-day period that a question exists as to whether the proposed change is consistent with the provisions of Section 13 of the Act, or of any rule, regulation or order thereunder, the proposed change shall not become effective unless and until Service Company shall have filed with the SEC an appropriate declaration regarding such proposed change and the SEC shall have permitted such declaration to become effective.

Section 2.4 Service Company shall render a monthly statement to Client Company that shall reflect the billing information necessary to identify the costs charged for that month. By the twentieth (20th) day of each month, Client Company shall remit to Service Company all charges billed to it.

Section 2.5 It is the intent of this Agreement that the payment for services rendered by Service Company to Client Company under this Agreement shall cover all the costs of Service Company doing business (less the costs of services provided to affiliated companies not a party to this Agreement and to other non-affiliated companies, and credits for any miscellaneous items), including, but not limited to, salaries and wages, office supplies and expenses, outside services employed in rendering the services hereunder, property insurance, injuries and damages, employee pensions and benefits, miscellaneous general expenses, rents, maintenance of structures and equipment, depreciation and amortization, and compensation for use of capital as permitted by Rule 91 of the SEC's regulations under the Act.

ARTICLE 3
TERM

Section 3.1 This Agreement shall become effective on the date of Client Company's receipt of required regulatory approval, and shall continue in force until terminated by Service Company or Client Company, upon not less than one year's prior written notice to the other party. This Agreement shall also be subject to termination or modification at any time, without notice, if and to the extent performance under this Agreement may conflict with the Act or with any rule, regulation or order of the SEC adopted before or after the date of this Agreement.

ARTICLE 4
LIMITATION OF LIABILITY AND INDEMNIFICATION

Section 4.1 In performing the services hereunder, Service Company will exercise due care to assure that the services are performed in an appropriate manner, meet the standards and specifications set forth in any applicable request for service and comply with the applicable standards of law and regulation. However, failure to meet these obligations shall in no event subject Service Company to any claims by or liabilities to Client Company other than to reperform the services and be reimbursed at cost for such reperformance. Service Company makes no other warranty with respect to its performance of the services, and Client Company agrees to accept such services without further warranty of any nature.

Section 4.2 To the fullest extent allowed by law, Client Company shall and does hereby indemnify and agree to save harmless and defend Service Company, its agents and employees from liabilities, taxes, losses, obligations, claims, damages, penalties, causes of action, suits, costs and expenses or judgments of any nature, on account of, or resulting from the performance and prosecution of any services performed on behalf of Client Company pursuant to this Agreement, whether or not the same results or allegedly results from the claimed or actual negligence or breach of warranty of, or willful misconduct by, Service Company or any of its employees, agents, clients, or contractors or its or their subcontractors or any combination thereof.

ARTICLE 5
MISCELLANEOUS

Section 5.1 All accounts and records of Service Company shall be kept in accordance with the Uniform System of Accounts Prescribed for Public Utilities and Licensees subject to the Provisions of the Federal Power Act promulgated by the Federal Energy Regulatory Commission, as each is in effect from and after the date hereof.

Section 5.2 New direct or indirect non-utility subsidiaries of Black Hills, which may come into existence after the effective date of this Agreement, may become additional client companies of Service Company and subject to a service agreement with Service Company, or an existing client company may wish to obtain additional services from Service Company. Likewise, an existing direct or indirect subsidiary of Black Hills may cease to be a client company or cease to take individual services from Service Company. In either event, the parties hereto shall make such changes in the scope and character of the services to be rendered and in the method of assigning, distributing or allocating costs of such services as specified in Appendix 1, subject to the requirements of Section 2.3, as may become necessary to achieve a fair and equitable assignment, distribution, or allocation of Service Company costs among all associate companies.

Section 5.3 In the event Client Company changes the scope of services that it takes from Service Company (as provided in Section 1.2 and subject to Section 1.3) or terminates this Agreement (pursuant to Section 3.1), the Service Company may bill such Client Company a charge that reflects a proportionate share of any significant residual fixed costs (i.e. incurred costs or commitments to incur costs) that were incurred or committed to incur in contemplation of providing such Client Company service prior to the notice of termination. Examples of fixed costs include, but are not limited to, costs to upgrade computer hardware and software systems to meet Client Company's specifications.

Section 5.4 Service Company shall permit Client Company access to its accounts and records, including the basis and computation of allocations; provided that the scope of access and inspection is limited to accounts and records that are related to Service Company's transactions with Client Company.

Section 5.5 Appendix 1 is expressly incorporated herein and made a part hereof.

Section 5.6 It is the intent of the parties hereto that the determination of the costs as used in this Agreement shall be consistent with, and in compliance with, the rules and regulations of the SEC, as they are now read or hereafter may be modified by the SEC.

Section 5.7 This Agreement and the rights hereunder may not be assigned without the mutual written consent of all parties hereto.

* * * * *

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date and year first above written.

BLACK HILLS SERVICE COMPANY, LLC.

By: _____
Name: Mark T. Thies
Title: Executive VP and CFO

CHEYENNE LIGHT, FUEL AND POWER COMPANY

By: _____
Name: ~~President & COO~~ Linden R. Evans
Title: President & COO

Appendix 1

DESCRIPTION OF SERVICES TO BE PROVIDED BY BLACK HILLS SERVICE COMPANY, LLC AND DETERMINATION OF CHARGES FOR SUCH SERVICES TO THE OPERATING COMPANIES AND OTHER AFFILIATES

Description of Services Provided

A description of the services provided by Black Hills Service Company, LLC is detailed below. Identifiable costs will be directly assigned to the utility company subsidiaries (the "**Operating Companies**") and other affiliates of Black Hills. For costs that are for services of a general nature and cannot be directly assigned, the method of allocation is described below for each service provided.

a) Accounting Systems

Description –Maintains the accounting systems.

Method of Allocation – Accounting Systems indirect costs will be allocated using the Blended Ratio.

b) Accounts Payable

Description – Processes payments to vendors and prepares 1099s and applicable documentation.

Method of Allocation – Accounts Payable indirect costs will be allocated using the Blended Ratio.

c) Corporate Communications and Governmental Affairs

Description – Provides corporate communications. Provides advertising and branding development for the companies within Black Hills. Manages and tracks all contributions made on behalf of Black Hills and its subsidiaries. Monitors, reviews and researches government legislation.

Method of Allocation – Corporate Communications and Governmental Affairs indirect costs will be allocated using the Blended Ratio.

d) Corporate Development and Strategic Planning

Description – Facilitates development of corporate strategy, prepares strategic plans, and evaluates business opportunities.

Method of Allocation – All corporate development costs will be direct charged to the Holding Company or the applicable Operating Company. Strategic Planning indirect costs will be allocated using the Holding Company Blended Ratio.

e) Corporate Governance

Description – Develops and enforces corporate governance policies and procedures in accordance with applicable laws and regulations.

Method of Allocation – Corporate Governance costs for activities specifically related to the holding company will be assigned directly to the holding company. Corporate Governance indirect costs will be allocated using the Blended Ratio.

f) Environmental

Description – Provides environmental services. Establishes policies and procedures for compliance with environmental laws and regulations. Researches emerging environmental issues and monitors compliance with environmental requirements. Oversees environmental clean up projects.

Method of Allocation –Environmental indirect costs will be allocated using the Asset Cost Ratio.

g) Executive Management Services

Description – Represents charges for Black Hills executive management and services, including, but not limited to, officers of Black Hills.

Methods of Allocation – Executive Management Services indirect costs will be allocated using the Holding Company Blended Ratio.

h) Finance and Treasury

Description – Coordinates activities related to securities issuance, including maintaining relationships with financial institutions, cash management, investing activities and monitoring the capital markets.

Method of Allocation – Finance and Treasury indirect costs will be allocated using the Holding Company Blended Ratio.

i) Financial Reporting

Description – Prepares financial and statistical reports.

Method of Allocation – Financial Reporting costs for activities specifically related to the holding company will be assigned directly to the holding company. Financial Reporting indirect costs will be allocated using the Holding Company Blended Ratio.

j) General Accounting

Description – Maintains the books and records. Provides accounting oversight activities.

Method of Allocation – General Accounting indirect costs will be allocated using the Blended Ratio.

k) Human Resources

Description – Establishes and administers policies related to employment, compensation and benefits. Coordinates the bargaining strategy and labor agreements with union employees. Provides technical and professional development training and general HR support services.

Methods of Allocation – Human Resources indirect costs will be allocated using the Employee Ratio. Healthcare costs for active CLFP employees will be direct charged to CLFP. Healthcare costs for all other active employees will be allocated using the Holding Company Employee Ratio.

l) Information Technology

Description – Provides various communications and electronic data processing services including but not limited to, development and support of mainframe computer software applications, procurement and support of personal computers, operation of a data center and installation and operation of a communications system.

Method of Allocation – Information technology indirect costs will be allocated using the Blended Ratio.

m) Insurance

Description – Facilitates physical risk management strategies through the purchase and evaluation of various types of insurance coverage. Provides claims management services.

Method of Allocation – Insurance indirect costs will be allocated using the Blended Ratio. Director and Officer's insurance will be allocated using the Holding Company Blended Ratio.

n) Internal Audit

Description – Reviews internal controls and procedures to ensure assets are safeguarded and transactions are properly authorized and recorded. Evaluates contract risks.

Method of Allocation – Internal Audit indirect costs will be allocated using the Blended Ratio.

o) Investor Relations

Description – Provides communications to investors and the financial community.

Methods of Allocation –Investor Relations indirect costs will be allocated using the Holding Company Blended Ratio.

p) Legal

Description – Provides legal services related to labor and employment law, litigation, contracts, rates and regulation, environmental matters, real estate and other legal matters.

Method of Allocation – Legal indirect costs will be allocated using the Blended Ratio.

q) Payroll

Description – Processes payroll including but not limited to time reporting, calculation of salaries and wages, payroll tax reporting and compliance reports.

Method of Allocation – Payroll indirect costs will be allocated using the Employee Ratio.

r) Power Delivery Management

Description – Performs resource planning, power delivery management, strategic planning, and construction management.

Method of Allocation – Power Delivery Management indirect costs will be allocated using the Power Generation Capacity Ratio.

s) Rates and Regulation

Description – Determines the Operating Companies' regulatory strategy, revenue requirements and rates for electric and gas customers. Coordinates the regulatory compliance requirements and maintains relationships with the regulatory bodies.

Method of Allocation – Rates and Regulation indirect costs will be allocated using the Retail Blended Ratio.

t) Retail Accounting Operations

Description – Maintains the books and records of the retail Operating Companies and retail affiliate companies. Provides management, operational services, and accounting oversight to the retail Operating Companies and retail affiliate companies.

Method of Allocation – Retail Management and Accounting Operations indirect costs will be allocated using the Retail Blended Ratio.

u) Retail Property Accounting

Description – Maintains the records for retail property, plant, and equipment.

Method of Allocation – Retail Property Accounting indirect costs will be allocated using the Retail Asset Cost Ratio.

v) Risk Management and Analysis

Description – Provides risk management, risk evaluation, and risk analysis services.

Method of Allocation – Risk Management and Analysis indirect costs will be allocated using the Blended Ratio

w) Safety

Description – Develops and implements safety planning activities and provides employee safety education. Administers the self-funded worker's compensation plan.

Method of Allocation – Safety indirect costs will be allocated using the Employee Ratio.

x) Shareholder Services

Description – Provides various recordkeeping and administrative services related to shareholder services.

Method of Allocation –Shareholder Services indirect costs will be allocated using the Holding Company Blended Ratio.

y) Tax

Description – Prepares tax filings and ensures compliance with applicable laws and regulations.

Method of Allocation – Tax indirect costs will be allocated using the Blended Ratio.

Allocation Ratios

The following ratios will be utilized as outlined above. All ratios will be determined annually, or at such time as may be required due to significant changes.

Asset Cost Ratio – Based on the total cost of assets as of December 31 for the prior year, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. Assets are limited to property, plant, and equipment.

Blended Ratio – A composite ratio comprised of an average of the Asset Cost Ratio, the Payroll $ Ratio, and the Gross Margin Ratio.

Holding Company Blended Ratio – 5% of costs allocated to the Holding Company, with the remaining 95% of costs allocated using a composite ratio comprised of an average of the Asset Cost Ratio, the Payroll $ Ratio, and the Gross Margin Ratio.

Employee Ratio – Based on the total number of employees at the end of the prior year ending December 31, the numerator of which is for an applicable Operating Company or

affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies.

Holding Company Employee Ratio – Based on the total number of employees at the end of the prior year ending December 31, the number of which is for an applicable Operating Company or affiliate company that participates in the BHC self-funded health insurance pool and the denominator of which is for all applicable Operating Companies and affiliate companies that participate in the BHC self-funded health insurance pool.

Gross Margin Ratio – Based on the total annual gross margin for the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies.

Payroll $ Ratio – Based on the total annual payroll $ for the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies.

Power Generation Capacity Ratio – Based on the total power generation capacity at the end of the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies.

Retail Asset Cost Ratio – Based on the total cost of retail assets as of December 31 for the prior year, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. Retail assets are limited to retail property, plant, and equipment.

Retail Blended Ratio – A composite ratio comprised of an average of the Retail Asset Cost Ratio, the Retail Payroll $ Ratio, and the Retail Gross Margin Ratio.

Retail Gross Margin Ratio – Based on the total annual retail gross margin for the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies.

Retail Payroll $ Ratio – Based on the total annual retail payroll $ for the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies.

Black Hills Corporation

Aquila

Black Hills' and Aquila's Utility Operations