

STATEMENT OF SERVICES NO. 50375

Pursuant to the terms and conditions of the Master Services Agreement 24128 executed and made effective as of September 2, 2019, most recently amended September 1, 2022, by and between Black Hills Power, Inc. ("Owner") and PSI, LLC dba Pipeline Strategies & Integrity, LLC, ("Contractor"), the parties hereby agree as follows:

- A. **Requested Services:** Contractor shall supply, including but not limited to, all qualified labor, equipment, supervision, and transportation for Engineering Services for gas supply and trench design for Owner's Lange PB2 Generation Facility Project located in Rapid City, South Dakota ("Services"), in accordance with project requirements specified in Attachment A, attached hereto and incorporated herein.
- B. **Commencement Date:** March 31, 2025
- C. **Completion Date:** August 29, 2025
- D. **Service Fee:** Owner shall pay Contractor for the satisfactory performance of the Services, subject to additions and deductions allowed by Change Orders. Services shall be performed at the fee set forth in Attachment A ("Fee"), in periodic payments, not to exceed **\$85,350.00**. Tax is not included in the attached rates. A minimum amount of compensation is not guaranteed.

Invoice Requirements: Invoice(s) shall reference Statement of Services number 50375, and shall be emailed to Owner at APIInvoices@blackhillscorp.com, with copy to Seth.Miller@blackhillscorp.com, or mailed to the following address:

**Black Hills Power, Inc.
MSC: 50501
Department No. 4728
PO Box 8106
Rapid City, SD 57709**

Invoices shall:

1. be accompanied by all documentation supporting its fees, including itemized time records;
2. reference the Agreement number set forth above and the appropriate Statement of Service number;
3. identify the applicable taxes as a line item or indicate that state and local taxes are not included in the invoice amount; and
4. provide a breakdown of the cost of labor and materials; and
5. reference Owner's department number & work order number 10085466, as provided by Owner and provide the address of where Services were performed.

- E. Representatives.** Owner's Technical Representative for this Statement of Services is Seth Miller. The Technical Representative's contact information is Phone: 307.687.8573, Email: Seth.Miller@BlackHillsCorp.com. Owner's Administrative Representative is Lorissa Wetzler. The Administrative Representative's contact information is Phone: 605.399.5118, Email: Lorissa.Wetzler@BlackHillsCorp.com. With the exception of invoices, all original administrative correspondence, including, but not limited to lien releases, tax licenses and insurance certificates shall be sent to the Administrative Representative.

Contractor's Representative for this Agreement is Ted Schultz. The contact information for Contractor's Representative is Phone: 719.424.4033, Email: tschultz@psi-llc.com.

This Statement of Services and the above-referenced Agreement constitute the complete understanding of the parties with respect to the Services specified herein.

IN WITNESS WHEREOF, the parties have executed this Statement of Services on the date(s) indicated below.

BLACK HILLS POWER, INC.:

DocuSigned by:
Lindsey Pipkins
807C3A823B4943A...

(signature)

Lindsey Pipkins

(name printed)

Strategic Sourcing Manager

(title)

4/3/2025

(date)

**PSI, LLC DBA PIPELINE STRATEGIES
& INTEGRITY, LLC:**

Michael Marchessault

(signature)

Michael Marchessault

(name printed)

Member

(title)

4/3/2025

(date)



Engineering Services Proposal

Prepared For



Black Hills – Lange PB2 Project

110 S. Sierra Madre Colorado Springs, CO 80903
P: (719) 520-9279 | www.psi-llc.com

Proposal Issued: March 20th, 2025
Revision: 1



Est. 1994

Black Hills – Lange PB2

Introduction

About PSI

Founded in 1994, we are a local engineering firm located in the heart of downtown Colorado Springs, with an experienced staff of engineers, drafters, inspectors, and field technicians that have been providing engineering, design, project management, drafting, corrosion, integrity, operations and maintenance, and inspections services to our customers for over 30 years. With local and in-house engineering, drafting, and cathodic protection departments, we can provide true turn-key project services while minimizing the overall project costs and eliminating costly mistakes.

With over 500 years of cumulative engineering and design experience, we specialize in transmission, delivery, distribution, and gathering pipelines and facilities for natural gas, water, and oil serviced systems. Our staff has extensive experience working with municipalities, government agencies, and private operators.

We pride ourselves on being flexible and responsive to support our clients' needs. Our company structure and size allow us to maintain low costs while executing project deadlines promptly. This structure allows us to be productive within budget, regardless of the project size or schedule. Adopting this philosophy, we have created lasting relationships with our clients as trusted and reliable consultants.

Approach to Safety

PSI's policy is that injury and illness prevention will be of primary importance in all project phases. We prioritize providing safe and healthy working conditions and establishing and insisting upon safe practices by all employees and contractors. We encourage stop-work authority at every operational level when any unsafe situation or condition is discovered.

Colorado Based Engineering Firm

As a fully integrated engineering firm, we specialize in transmission, delivery, distribution, and gathering pipelines and facilities for municipalities and companies operating natural gas, water, and oil systems. Our professional team comprises designers, drafters, and eight professional engineers licensed in eight states.

Our Locations

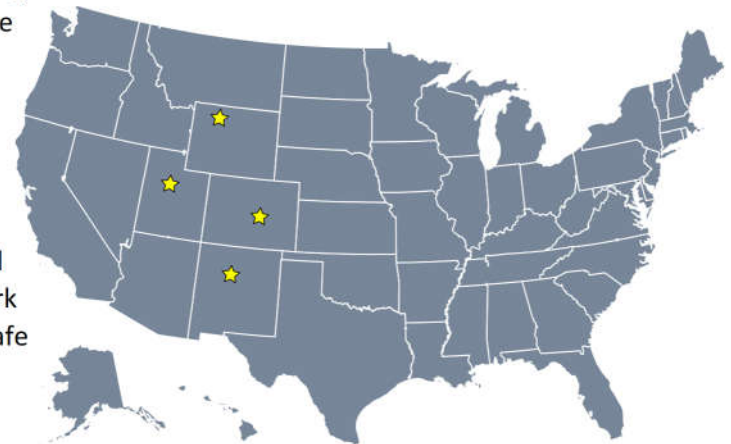


Years Established

PSI, LLC was established in Colorado Springs in 1994.
SEIN#: 84-160-2840

Years of Experience

PSI's qualified staff has over 500 years of cumulative engineering and design experience.



Main Office

Colorado
110 S Sierra Madre
CO Springs, CO

Wyoming
1158 Road 9
Powell, WY

New Mexico
2006 Southern Blvd SE
Rio Rancho, NM

Utah
216 North Orem Blvd
Orem, UT 84057



Overview of Services Offered

PSI's flexibility allows us to support our client's needs with various service arrangements. We can participate as temporary team members working with your existing support functions. Our structure and resources allow PSI employees to combine skills for handling projects on a turnkey, full-service basis. Our value-added services align with the following areas of expertise:

 Project Management - Initiation, Planning, Execution, Monitoring, and Project Closeout - Manage Scope, Schedule, and Budget - Assist with Procurement - Permitting Support - Prepare and Review Job Books	 Engineering & Design - Mechanical - Process - Integrity - Electrical - Instrumentation and Controls - Civil and Structural
 Drafting - PFD's and P&ID's - Piping and Mechanical Plans - Isometric Drawings - Grading Plans - Alignment Sheets - Operational Schematics - Permit Drawings - Electrical and Instrumentation Drawings - Civil and Structural Drawings	 Corrosion & Integrity - Cathodic Protection Design, Installation, Maintenance, and Rehabilitation - Program Management - Rectifiers, Test Stations, and Bonds - Conventional, Distributed, Linear, and Deep Anode Ground Beds - Corrosion Mitigation - ACVG and DCVG Survey
 Pipeline Design - Pipeline system sizing and verification - Carbon Steel, HDPE, Composite, and Stainless-Steel Pipeline Designs - Well Pad Connections - Launchers and Receivers - Main Line Valve Sets - Horizontal Directional Drill - Hydraulic Modeling	 Operations & Maintenance - Pigging Maintenance, Cleaning, and In-line Inspection - Federal, State, and Local Compliance Standards - Audit Support - Integrity Management, Emergency Action, and Public Awareness Plans - Operator Qualification Programs and Field Operator Qualified Personnel - Operations and Maintenance Manuals
 Facility Design - Compressor Stations - Pump Stations - LACT and Gas Metering Stations - Saltwater Disposal and Water Recycle Facilities - Central Delivery Points (CDPs) - Tank Batteries	 Construction and Inspection - Right of Way Review - Construction Planning - HSE Construction Support - Full Construction Inspection Support



Est. 1994

Black Hills – Lange PB2

Project Background

Black Hills Power (BHP) is building a 6-engine RICE power generation facility called Lange Power Block that will provide additional generation capacity of ~ 99.6MW gross (consuming ~ 19.0 MMSCF/Day of Natural gas). BHP has asked PSI to extend the Lange site gas supply line to the new facility. PSI would be responsible for the work around gas delivery and provide equipment selection, design, and construction. Figure 1 shows the facility to be in service mid-2026. The white rectangle is a future build that has no build date determined. The yellow circle is where the gas comes above grade at the Lange site, and the blue rectangle is where the gas yard for the new site will be located. PSI aims to have the gas line and meter installed by the target date of August 1st, 2025.

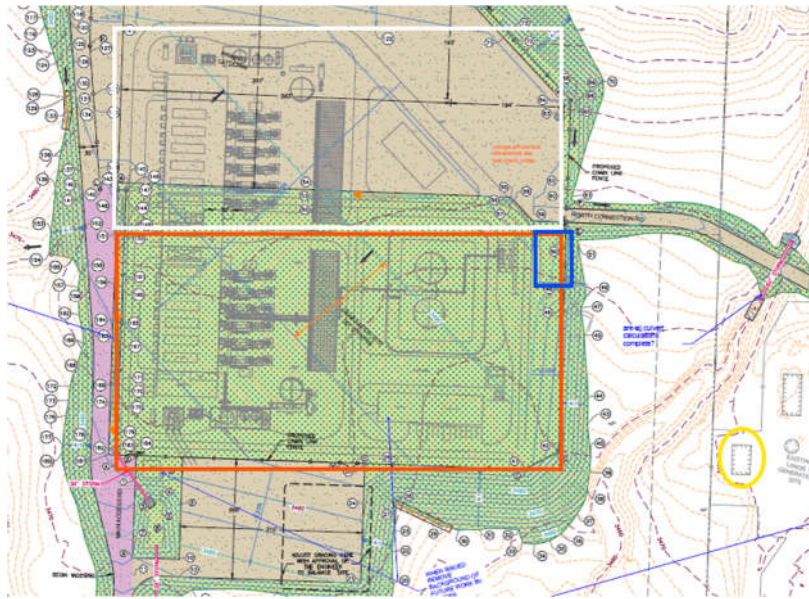


Figure 1: Existing facility overview

To complete this objective there would be a tie-in to the 10" gas supply line as it tees off to the East to feed Lange 1 (around the yellow circle on figure one) along with associated isolation/maintenance valves, meters (to track gas use between Lange 1 and Lange PB2).

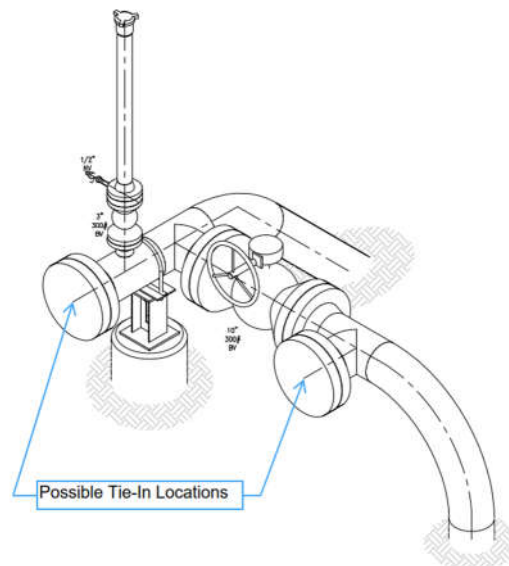


Figure 2: Potential Tie-in locations for the gas supply



Figure 2 points to two different 10" flanges on the Lange 10" Receiver that can be used as tie in points for the Lange PB2 project gas supply line connection.

PSI will provide engineering support to BHP for the design of two (2) diesel tanks for the site. This includes procurement support, cathodic protection (CP) system design and isolation for the tanks. The CP system and associated isolation kits will be designed and implemented to connect to the new RICE generation facility. PSI will provide specifications for the dielectric unions, isolation kits, and solid-state de-couplers, if required.

Engineering

Engineering includes Project Management, Administration, Document Control, Detailed Engineering & Design, Procurement Support, Regulatory Support, and Project Closeout.

Project Management, Administration, and Document Control

- 1) Bi-weekly Status Report
 - a. Cost Tracking, Budget, Forecasting, Variances & Trend tracking
 - b. Schedule Updates on all key Engineering deliverables
 - c. Action Item List/Engineering Needs List
- 2) Effective change management/timely submittal of approved change orders, i.e. before the work is performed.
- 3) Attendance at weekly project meeting(s)
- 4) Formal transmittals for all key deliverables

Detailed Engineering & Design

- 1) Design Basis
- 2) Hydrostatic Testing Specifications
- 3) Pressure Relief Valve Calculations, & Data Sheet
- 4) Maximum Allowable Operating Pressure (MAOP) Validation Calculations
- 5) Permanent Launcher/Receiver Design
- 6) Total Installed Cost Report in anticipation of construction
- 7) Site Specific drawings/piping plans, sections, and details with BOM
 - a. IFR
 - b. IFB
 - c. IFC

Procurement Support

- 1) Generate material and equipment specifications, instrument list, and data sheets.
- 2) Generate Material Takeoffs (MTO) for Bid
- 3) Technical Bid Evaluations
- 4) Generate Material Takeoffs (MTO) for Purchase

Regulatory Support

- 1) South Dakota PUC Notifications and Status Updates.
- 2) Operator Qualification Review.
- 3) Operations and Maintenance Manuals Updates.
- 4) National Pipeline Mapping System Updates. (NPMS)
- 5) Class Location, MCA, HCA Updates. (As required)



Project Closeout

- 1) Electronic Job Books, including the most recent version of all engineering key deliverables.
- 2) PDF and native versions of drawings and models

Tank and Cathodic Protection Design

Engineering Services

- 1) Review of all provided drawings to identify areas of isolation from above-grade piping, equipment, instrumentation, and grounding grid.
- 2) Identify areas of possible isolation and create a matrix to identify locations and associated types of isolation required.
 - a. Any areas that cannot be isolated with isolation gaskets or dielectric unions will be designated for an AC de-coupler to comply with NFPA 70 regulations. De-couplers will only be used if necessary to reduce costs.
- 3) Quantify all materials for isolation and create a Bill of Materials (BOM) with associated specifications from vendors and vendor installation guidelines.
- 4) Create a design basis to suggest a CP design that best meets the facility needs that will include:
 - a. Galvanic CP system with anodes directly connected to below-grade pipelines.
- 5) Facility CP system design with associated BOM and connection locations.

Deliverables

- 1) Engineering Drawings
 - a. CP Typical Details
 - b. CP equipment and isolation locations overlaid into existing P&IDs.
- 2) Facility drawings to show CP equipment, isolation points, jumpers, insulating equipment, unions/fittings
 - a. Bill of Materials and specifications for CP system

Procurement

Procurement Support, including material and material cost tracking, technical and commercial evaluation, and recommendations for bids are included in this cost estimate. The materials themselves are not included in this bid.

- Standard PSI Specifications will be utilized for this project unless Black Hills specifications are provided.
- An approved vendor/manufacturers list will be provided at the beginning of the project or PSI can provide bids from any licensed vendor/manufacturers.
- All vendor coordination and design reviews can be completed at PSI's office in Colorado Springs. If shop visits are determined to be necessary, we will be happy to supply an estimate for that work.

Construction

All construction support can be completed remotely from PSI's office in Colorado Springs. If any on-site construction support is needed, we will be happy to supply an estimate for that work. PSI will go out to bid for construction or can use any contactor Black Hills has. The cost of construction is not included in this bid and would be from a separate company or subcontractor.



Future Phase 2 Construction Scope will include

- Mobilization
- Civil Concrete work for Pipe Supports
- Pipe Support Supply and installation
- Hydro excavation
- Receiver fabrication and Installation
- Meter fabrication and Installation
- Pipeline Installation
- Coating
- Backfill
- Hydrostatic Testing
- Reclamation
- Demobilization

As-builts

No As-builts are included in this scope of work but they can be provided for the next phase, Phase 2 of the project upon request.

Project Schedule

Deliverable/Task	Task Duration
Project Award	04/01/2025
IFA	04/17/2025
IFB	05/03/2025
IFC	05/24/2025
Construction on gas meter complete	08/01/2025

Project Cost Estimate

A good faith time and engineering estimate to provide the stated deliverables is approximated at **\$85,350**.

PSI will perform all work as efficiently as possible and will bill following the proposed MSA (or applicable PO). Periodic reports will be provided to accurately relay the status of activities completed that period, future plans and activities, actual costs, and associated percent complete on each deliverable.

Assumptions

Survey

- Black Hills will be responsible for surveying and providing PSI with collected data.
- PSI can provide a bid for survey if requested.

Geotechnical

- No geotechnical survey is required for the successful completion of this project.

Environmental

- Environmental assessment costs are not included in PSI's scope of work.

**CP Design**

- No installation oversight or support is included in this proposal. However, PSI would be happy to provide those services under a separate quote.
- Internal corrosion mitigation measures are beyond this project scope and are not included.
- The design is not required to be reviewed and stamped by a Professional Engineer.
- The package does not include re-designs due to facility piping design changes after IFC issuance.

Correspondence

For further information and to schedule this project, ***please contact:***

Dan A. Nichols

Engineering Manager

110 South Sierra Madre | Colorado Springs, CO 80903

Office: (719) 520-9279 Direct: (719) 418-4210 | Cell: (303) 619-3959

Email: dnichols@psi-llc.com

PSI Credentials:

- Fully insured
- Multidisciplined Professional Engineers registered in multiple states
- Project Management Professional Certified Engineers
- NACE Certified Engineers
- DOT Compliance
- Operator Qualified (OQ) employees through ISNetworld
- Follow all well-established industry safety standards, including API, ASME, OSHA, NFPA, ANSI, and PUC
- In-House Safety Training Program
- Drug-free work environment