

BASE LOAD

POWER PURCHASE AGREEMENT

BETWEEN

MEP-I LLC, AS SELLER

AND

NORTHERN STATES POWER COMPANY

_____, 2006

**BASE LOAD
POWER PURCHASE AGREEMENT
BETWEEN
MEP-I LLC
AND
NORTHERN STATES POWER COMPANY**

THIS BASE LOAD POWER PURCHASE AGREEMENT (the “PPA” and the “Agreement”) is made this ____ day of _____, 2006, by and between MEP-I LLC (“Seller”), a Minnesota limited liability company with a principal place of business at 11100 Wayzata Boulevard, Suite 305, Minnetonka, Minnesota 55305, and Northern States Power Company (“NSP”), a Minnesota corporation with headquarters in Minneapolis, Minnesota. Seller and NSP are hereinafter referred to individually as a “Party” and collectively as the “Parties”.

WHEREAS Seller desires to develop, design, construct, own and operate Unit 1 of the Mesaba Energy Project, an integrated gasification combined cycle (“IGCC”) electric generating plant which is capable of operation utilizing either solid fuel or natural gas as fuel for generation, which has an expected Net Capability of approximately 603 MW, and which is further defined below as the “Facility”; and

WHEREAS Seller intends to locate the Facility near Taconite, Minnesota, and to interconnect the Facility with the Interconnection Provider's System; and

WHEREAS Seller desires to sell to NSP all of the electric capacity and associated energy produced by the Facility, and NSP desires to buy the same from Seller, in accordance with the terms and conditions set forth in this PPA;

NOW THEREFORE, in consideration of the mutual covenants herein contained, the sufficiency and adequacy of which are hereby acknowledged, the Parties agree to the following:

Article 1 – Definitions and Rules of Interpretation

1.1 Rules of Construction. The capitalized terms listed in this Article shall have the meanings set forth herein whenever the terms appear in this PPA, whether in the singular or the plural or in the present or past tense. Other terms used in this PPA but not listed in this Article shall have meanings as commonly used in the English language and, where applicable, in Good Utility Practice. Words not otherwise defined herein that have well known and generally accepted technical or trade meanings are used herein in accordance with such recognized meanings. In addition, the following rules of interpretation shall apply:

- (A) The masculine shall include the feminine and neuter.

(B) References to "Articles," "Sections," or "Exhibits" shall be to articles, sections, or exhibits of this PPA.

(C) The Exhibits attached hereto are incorporated in and are intended to be a part of this PPA; provided, that in the event of a conflict between the terms of any Exhibit and the terms of this PPA, the terms of this PPA shall take precedence.

(D) This PPA was negotiated and prepared by both Parties with the advice and participation of counsel. The Parties have agreed to the wording of this PPA and none of the provisions hereof shall be construed against one Party on the ground that such Party is the author of this PPA or any part hereof.

(E) The Parties shall act reasonably and in accordance with the principles of good faith and fair dealing in the performance of this PPA. Unless expressly provided otherwise in this PPA, (a) where the PPA requires the consent, approval, or similar action by a Party, such consent or approval shall not be unreasonably withheld, conditioned or delayed, and (b) wherever the PPA gives a Party a right to determine, require, specify or take similar action with respect to a matter, such determination, requirement, specification or similar action shall be reasonable.

(F) As used in this Agreement, best efforts shall mean a level of effort that, in the exercise of reasonable judgment in the light of facts known at the time a decision is made, can be expected to accomplish the desired result at a reasonable cost, in a timely manner, and consistent with Good Utility Practice.

1.2 Interpretation with LGIA. The Parties recognize that Seller will enter into a separate LGIA with the Interconnection Provider.

(A) The Parties acknowledge and agree that the LGIA shall be a separate and free-standing contract and that the terms of this Agreement are not binding upon the Interconnection Provider.

(B) Notwithstanding any other provision in this Agreement, nothing in the LGIA shall alter or modify Seller's or NSP's rights, duties and obligations under this Agreement. This Agreement shall not be construed to create any rights between Seller and the Interconnection Provider.

(C) Seller expressly recognizes that, for purposes of this Agreement, the Interconnection Provider shall be deemed to be a separate entity and separate contracting party whether or not the LGIA is entered into with NSP or an Affiliate of NSP.

1.3 Interpretation with Arrangements for Electric Supply to the Facility. The Parties recognize that Seller will enter into separate arrangements for the supply of electric services to the Facility, including the supply of turbine unit start-up and shut-down power and energy.

(A) The Parties acknowledge and agree that the arrangements for the supply of electric services to the Facility shall be separate and free-standing arrangements and that the terms of this Agreement are not binding upon the supplier of such electric services.

(B) Notwithstanding any other provision in this Agreement, nothing in the arrangements for the supply of electric services to the Facility shall alter or modify Seller's or NSP's rights, duties and obligations under this Agreement. This Agreement shall not be construed to create any rights between Seller and the supplier of such electric services.

(C) Seller expressly recognizes that, for purposes of this Agreement, the supplier of electric services to the Facility shall be deemed to be a separate entity and separate contracting party whether or not the arrangements for the supply of electric services to the Facility is entered into with NSP or an Affiliate of NSP.

1.4 Definitions. The following terms shall have the meanings set forth herein:

“Abandonment” means (i) the relinquishment of all possession and control of the Facility by Seller, other than a transfer permitted under this PPA, or (ii) if prior to the Commercial Operation Date, complete cessation of design, construction, testing and inspection of the Facility for [*Trade Secret Data Begins*] [*Trade Secret Data Ends*] by Seller and/or Seller’s contractors, but only if such relinquishment or cessation is not caused by or attributable to an Event of Default of, or request by, NSP, a Permitted Delay or an event of Force Majeure.

“Accreditable Capacity” means the amount of net generating capability associated with the Facility for which capacity credit may be obtained under applicable MAPP or MISO rules, as determined at the Point of Delivery.

“Affiliate” of any named person or entity means any other person or entity that controls, is under the control of, or is under common control with, the named entity. The term “control” (including the terms “controls”, “under the control of” and “under common control with”) means the possession, directly or indirectly, of the power to direct or cause the direction of the management of the policies of a person or entity, whether through ownership interest, by contract or otherwise.

“Available Energy” shall have the meaning set forth in Section 8.1.

“Avoided Cost” shall mean MISO NSP load real time energy prices.

“Business Day” means any calendar day that is not a Saturday, a Sunday, or a NERC recognized holiday.

“Capacity Price” shall be a fixed monthly dollar amount determined for the Term of this Agreement [*Trade Secret Data Begins*]
[*Trade Secret Data Ends*].

“Change of Control” shall have the meaning set forth in Section 18.3.

“Commercial Operation” means the period beginning on the Commercial Operation Date and continuing through the Term.

“Commercial Operation Date” or “COD” means the date that Seller delivers notice to NSP, pursuant to Section 4.6, that all of the Conditions specified in Section 4.6 have occurred or otherwise been satisfied.

“Commercial Operation Milestone” or “COM” means the Construction Milestone for the Commercial Operation Date. The Commercial Operation Milestone is specified in Exhibit B as October 31, 2011.

“Commercial Operation Year” means any consecutive twelve (12) month period, during the Term of this PPA, commencing with the Commercial Operation Date or any of its anniversaries.

“Conditions” shall have the meaning set forth in Section 4.7.

“Confidential Information” means the contents of this Agreement and all negotiations and discussions between the Parties, including without limitation:

[*Trade Secret Data Begins*]

[*Trade Secret Data Ends*]

provided, however, that “Confidential Information” shall not include information that (a) is publicly available or in the public domain at the time disclosed; (b) is or becomes publicly available or enters the public domain through no fault of the recipient; (c) is rightfully communicated to the recipient by persons not bound by confidentiality

obligations with respect thereto; (d) is already in the recipient's possession free of any confidentiality obligations with respect thereto at the time of disclosure; (e) is independently developed by the recipient, without reference to or use of the disclosing Party's Confidential Information; or (f) is approved for release or disclosure by the disclosing Party in writing.

“Construction Milestone(s)” means the date(s) set forth in Exhibit B by which Seller and the EPC Contractor expect to achieve the corresponding result(s) specified for such date(s), including, but not limited to, the Commercial Operation Milestone, as such dates may be extended pursuant to the terms of this PPA.

“Contract Capacity” shall have the meaning set forth in Section 7.1.

“Contract Energy” shall have the meaning set forth in Section 7.2.

“Control Area” means the system of electrical generation, distribution, and transmission facilities within which generation is regulated in order to maintain interchange schedules with other such systems.

“Credit Rating” of a rated Person means the lowest long-term unsecured issuer rating assigned to such Person by any of Standard & Poors, Moody’s or Fitch Investor Services, comparing equivalent ratings (for example, a rating of AAA from S&P is equivalent to a rating of Aaa from Moody’s). Plus and minus refinements shall be ignored for purposes of this Agreement (for example, a long-term issuer rating of BBB-equates to a Credit Rating of BBB).

“Day” means a calendar day.

“DOE” means the United States Department of Energy.

“DOE Demonstration Period” means the first Commercial Operation Year.

“Electric Interconnection Point” means the physical point at which electrical interconnection is made between the Facility and the Interconnection Provider's System. As of the date of this Agreement, and subject to MISO’s evaluation and decision that will be evidenced in the LGIA, the Blackberry substation is the proposed Electric Interconnection Point.

“Electric Metering Device(s)” means all NSP owned meters, metering equipment, and data processing equipment used to measure, record, or transmit data relating to the electric power and energy output from the Facility. Electric Metering Devices include the metering current transformers (“CTs”) and the metering voltage transformers (“VTs”).

“Emergency” means an “emergency condition” as defined under the LGIA and any abnormal interconnection or system condition that requires automatic or immediate

manual action to prevent or limit loss of NSP's load or generation supply, that could adversely affect the reliability of the NSP system or generation supply, that could adversely affect the reliability of any interconnected system, or that could otherwise pose a threat to public safety.

"EMT" shall have the meaning set forth in Section 4.10.

"EMT Amendment Filing" shall have the meaning set forth in Section 4.10.

"Environmental Attributes" means any allowances, credits, credit certificates, rights, powers, privileges, offsets, emission reduction units, assigned amount units, certified emission reduction units, removal units, or other similar currencies/commodities established by a Governmental Authority and/or independent certification board or group generally recognized in the electric power generation industry for the purpose of authorizing atmospheric emissions of substances which include, but are not limited to, criteria air pollutants or their surrogates, mercury, greenhouse gases (including carbon dioxide), hazardous air pollutants, air toxics, or any other substance generated by or associated with the Facility.

"Environmental Contamination" means the introduction or presence of Hazardous Materials at such levels, quantities or location, or of such form or character, as to constitute a violation of federal, state or local laws or regulations, and present a material risk under federal, state or local laws and regulations that the Site will not be available or usable for the purposes contemplated by this PPA.

"EPC Contract" means the contract for the engineering, procurement and construction of the Facility, to be entered into between Seller and EPC Contractor.

"EPC Contractor" means the Person [*Trade Secret Data Begins*]

[*Trade Secret Data Ends*]

"Event of Default" shall have the meaning set forth in Article 11.

"Excused Outage" means [*Trade Secret Data Begins*]

[Trade Secret Data Ends]

“Facilities Study” shall have the meaning set forth in Section 4.10(B).

“Facility” means Unit 1 of the Mesaba Energy Project, Seller’s integrated gasification combined cycle electric generating facility, Seller’s Interconnection Facilities, Seller’s Natural Gas Interconnection Facilities, Seller’s solid fuel supply facilities, as identified and described in Article 3 and Exhibit C to this PPA, including, but not limited to, all of the following, the purpose of which is to produce electricity and deliver such electricity to the Electric Interconnection Point: Seller’s equipment, buildings, the Gasification Island, the Power Island, step-up transformers, output breakers, facilities necessary to connect to the Electric Interconnection Point, protective and associated equipment, heating and filter/separation equipment and associated piping and control systems, above ground and underground fuel handling and piping systems, improvements, and other tangible assets, contract rights, easements, rights of way, surface use agreements and other interests or rights in real estate reasonably necessary for the construction, operation, and maintenance of the electric generating facility that produces the electric capacity and energy subject to this PPA.

“Facility Debt” means the obligations of Seller to any lender pursuant to the Financing Documents, including without limitation, principal of, premium and interest on indebtedness, fees, expenses or penalties, amounts due upon acceleration, prepayment or restructuring, swap or interest rate hedging breakage costs and any claims or interest due with respect to any of the foregoing.

“Facility Lender” means, collectively, any lender(s) or guarantor(s) providing or guaranteeing any Facility Debt and any successor(s) or assigns thereto (including without limitation the DOE as the provider or guarantor of Facility Debt).

“FERC” means the Federal Energy Regulatory Commission or any successor agency.

[Trade Secret Data Begins]

[Trade Secret Data Ends]

"Financing Documents" means the loan and credit agreements, notes, bonds, indentures, security agreements, lease financing agreements, mortgages, deeds of trust, interest rate exchanges, pledge agreements, swap agreements, letters of credit and other documents evidencing, securing or otherwise relating to the development, bridge, construction and/or permanent debt financing or other extensions of credit for the Facility, including any credit enhancement, guarantees or other credit support, swaps, caps, floors, collars, hedging arrangements, working capital financing, or refinancing documents, and any and all amendments, modifications, or supplements to the foregoing that may be entered into from time to time at the discretion of Seller in connection with development, construction, ownership, leasing, operation or maintenance of the Facility.

"Force Majeure" shall have the meaning set forth in Article 13.

"Forced Outage" means any condition at or affecting the Facility, other than an Excused Outage or a Scheduled Outage/Derating, that requires and causes removal from service of any portions of the generating capacity of the Facility. Forced Outages typically result from immediate mechanical/electrical/hydraulic control system trips and operator-initiated trips in response to Facility conditions and/or alarms.

"FTR" shall have the meaning set forth in Section 4.10(E).

"Fuel Delivery Point" means (A) in the case of solid fuel, the point at which solid fuel leaves the conveyor belt going into the slurry pipe within the Gasification Island, and (B) in the case of natural gas, the point at which Seller receives natural gas at the Natural Gas Interconnection Facilities.

"Gasification Island" means all of Seller's equipment, processes and infrastructure at the Facility required to convert solid fuel into synthesis gas, including without limitation, the coal delivery, storage and handling facilities, air separation unit, gasifiers and gas clean-up equipment.

"Good Utility Practice(s)" means the practices, methods, and acts (including but not limited to the practices, methods, and acts engaged in or approved by a significant portion of the fuel supply and electric power generation industry, MAPP and/or NERC) that, at a particular time, in the exercise of reasonable judgment in light of the facts known or that should reasonably have been known at the time a decision was made, would have been expected to accomplish the desired result in a manner consistent with law, regulation, permits, codes, standards, equipment manufacturer's recommendations, reliability, safety, environmental protection, economy, and expedition. With respect to the Facility, Good Utility Practice(s) include, but are not limited to, taking reasonable steps to ensure that:

(A) equipment, materials, resources, and supplies, including fuel and spare parts inventories, are available to meet the Facility's needs;

(B) sufficient operating personnel are available at all times and are adequately experienced and trained and licensed as necessary to operate the Facility properly, efficiently, and in coordination with NSP and are capable of responding to reasonably foreseeable Emergency conditions whether caused by events on or off the Site;

(C) preventive, routine, and non-routine maintenance and repairs are performed on a basis that ensures reliable, long-term and safe operation, and are performed by knowledgeable, trained, and experienced personnel utilizing proper equipment and tools;

(D) appropriate monitoring and testing are performed to ensure equipment is functioning as designed;

(E) equipment is not operated in a reckless manner, in violation of manufacturer's guidelines or in a manner unsafe to workers, the general public, or the interconnected system or contrary to environmental laws, permits or regulations or without regard to defined limitations such as steam pressure, temperature, and moisture content, chemical content of make-up water, flood conditions, safety inspection requirements, operating voltage, current, volt-ampere reactive (VAr) loading, frequency, rotational speed, polarity, synchronization, and/or control system limits; and

(F) equipment and components meet or exceed the standard of durability that is generally used for electric generation operations in the region and will function properly over the full range of ambient temperature and weather conditions reasonably expected to occur at the Site and under both normal and Emergency conditions.

"Governmental Authority" means any federal, state, local or municipal governmental body; any governmental, quasi-governmental, regulatory or administrative agency, commission, body or other authority exercising or entitled to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power; or any court or governmental tribunal.

"GDPIPD" means the implicit price deflator for the gross domestic product as computed and published quarterly by the U.S. Department of Commerce (2000=100), as presented and revised from time to time in the "Gross Domestic Product: _____ Quarter 'Final' Press Release" released periodically by the Bureau of Economic Analysis. For reference purposes, the GDPIPD for the fourth (4th) quarter of 2004 was 111.983. The quarter to be used for purposes of calculating GDPIPD shall be the quarter for which the GDPIPD was most recently published as of the Commercial Operation Date. If the GDPIPD ceases to exist, becomes unavailable, or is changed so that it is intended to measure something materially different from the general escalation

of prices in the United States, the Parties shall substitute a new index that reasonably measures the general escalation in prices in the United States.

“Hazardous Materials” means any substance, material, gas, or particulate matter that is regulated by any local governmental authority, any applicable State, or the United States of America, as an environmental pollutant or dangerous to public health, public welfare, or the natural environment including, without limitation, protection of non-human forms of life, land, water, groundwater, and air, including, but not limited to, any material or substance that is (i) defined as “toxic,” “polluting,” “hazardous waste,” “hazardous material,” “hazardous substance,” “extremely hazardous waste,” “solid waste” or “restricted hazardous waste” under any provision of local, state, or federal law; (ii) petroleum, including any fraction, derivative or additive; (iii) asbestos; (iv) polychlorinated biphenyls; (v) radioactive material; (vi) designated as a “hazardous substance” pursuant to the Clean Water Act, 33 U.S.C. §1251 *et seq.* (33 U.S.C. §1251); (vii) defined as a “hazardous waste” pursuant to the Resource Conservation and Recovery Act, 42 U.S.C. §6901 *et seq.* (42 U.S.C. §6901); (viii) defined as a “hazardous substance” pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §9601 *et seq.* (42 U.S.C. §9601); (ix) defined as a “chemical substance” under the Toxic Substances Control Act, 15 U.S.C. §2601 *et seq.* (15 U.S.C. §2601); or (x) defined as a pesticide under the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. §136 *et seq.* (7 U.S.C. §136).

“Interconnection Facilities” means Interconnection Provider's Interconnection Facilities and Seller's Interconnection Facilities.

"Interconnection Provider" means Minnesota Power, as the Person that owns and operates the transmission lines, Interconnection Provider's Interconnection Facilities and other equipment and facilities with which the Facility interconnects at the Electric Interconnection Point and any successor(s) or assigns thereto.

“Interconnection Provider's Interconnection Facilities” means the facilities necessary to connect Interconnection Provider's existing electric system to the Electric Interconnection Point, including breakers, bus work, bus relays, and associated equipment installed by the Interconnection Provider for the direct purpose of interconnecting the Facility, along with any easements, rights of way, surface use agreements and other interests or rights in real estate reasonably necessary for the construction, operation and maintenance of such facilities. Arrangements for the installation and operation of the Interconnection Provider's Interconnection Facilities shall be governed by the LGIA.

“Interconnection Provider's System” means the contiguously interconnected electric transmission and subtransmission facilities, including Interconnection Provider's Interconnection Facilities, over which the Interconnection Provider has rights (by ownership or contract) to provide bulk transmission of capacity and energy from the Electric Interconnection Point.

“Investment Grade” means a Credit Rating of BBB or better.

“LGIA” means the Large Generator Interconnect Agreement between Seller, MISO, the Interconnection Provider and other affected transmission owners as determined by MISO, for interconnection of the Facility to the Interconnection Provider’s System, as such agreement may be amended from time to time.

“MAPP” means the Mid-Continent Area Power Pool, a NERC regional electric reliability council, or any successor reliability authority in the region.

“Material Permits” means the governmental permits, consents, approvals, licenses and authorizations listed on Exhibit D.

“Mesaba I SIS” shall have the meaning set forth in Section 4.10(B).

“Minimum Load” means [*Trade Secret Data Begins*]

[*Trade Secret Data Ends*]

“MISO” means the Midwest Independent Transmission System Operator, Inc. or any successor organization.

“MISO Day 2 Rules” shall have the meaning set forth in Section 4.10.

“MPUC” means the Minnesota Public Utilities Commission or any successor agency.

“Natural Gas Interconnection Facilities” means Seller’s, or Seller’s agent’s, pipeline, compression and related facilities required to receive, regulate and meter natural gas fuel and to transport such fuel from the natural gas vendor’s delivery system to the Facility’s generating unit(s) for the generation of electric energy under this PPA, including those facilities required to heat and/or filter/separate such natural gas fuel as Seller, in its sole judgment, deems necessary to install.

“NERC” means the North American Electric Reliability Council or any successor organization.

“Net Capability” or “NC” means [*Trade Secret Data Begins*] [*Trade Secret Data Ends*] the maximum net power output, in kilowatts (kW), that the Facility is expected to be able to produce and deliver to NSP at the Point of Delivery [*Trade Secret Data Begins*] [*Trade Secret Data Ends*]. The expected Net Capability at Reference Conditions on the Performance Fuel is specified in Section 3.4.

“Network Resource” means the Contract Capacity has been designated a MISO network resource or a local capacity resource by MISO in accordance with Attachment X of the MISO EMT and related MISO procedures (or any applicable successor provision of the MISO EMT).

[*Trade Secret Data Begins*]

[*Trade Secret Data Ends*]

“O&M Agreement” means an Operations and Management Agreement with respect to the Facility which may be entered into between Seller and a third-party operator.

“On-Peak Months” means the calendar months of January, February, June, July, August, September and December.

“Operating Committee” means one representative each from NSP and Seller pursuant to Section 10.5.

“Operating Records” means all agreements associated with the Facility, operating logs, blueprints for construction, operating manuals, all warranties on equipment, and all documents, whether in printed or electronic format, that the Seller uses or maintains for the operation of the Facility.

“Operating Reserve” means the undispached portion of the Contract Capacity, which (i) is maintained by NSP to provide for regulation, load forecasting error, forced and scheduled outages, and system reliability; and (ii) qualifies as operating reserve available to NSP for MAPP reporting purposes.

“Performance Fuel” shall have the meaning set forth on Exhibit G.

“Permit Milestone Date” shall mean [*Trade Secret Data Begins*] [*Trade Secret Data Ends*], subject to potential extension as provided for in this Agreement.

“Permitted Delays” shall have the meaning set forth in Section 11.4.

“Person” means any natural person, corporation, partnership, limited liability company, trust, or government agency.

“Point of Delivery” means the electric system point at which Seller makes available to NSP and delivers to NSP the capacity and energy being provided by Seller to NSP under this PPA. The Point of Delivery shall be the Blackberry substation, unless

otherwise agreed in writing by the Parties after MISO completes its interconnection studies and makes its recommendations relating to the Facility.

“Power Island” means Seller’s combined cycle power plant at the Facility, including but not limited to all turbines, generators and related equipment, processes and infrastructure required to generate electricity in a combined cycle configuration using either synthesis gas or natural gas as a fuel source.

“PPA” means this power purchase agreement between Seller and NSP, including the Exhibits attached hereto.

“Pre-COD Energy” shall have the meaning set forth in Section 4.8.

[Trade Secret Data Begins]

[Trade Secret Data Ends]

“Reference Conditions” means the Facility operating and ambient conditions used to establish the capacity of the Facility. The ambient Reference Conditions for the Facility shall be an ambient temperature of thirty eight degrees Fahrenheit (38°F), sixty-eight percent (68%) ambient relative humidity, and standard ambient pressure (14.696 psia at mean sea level) adjusted to the Site elevation of 1430 feet above mean sea level. The operating Reference Conditions for the Facility shall be set forth on Exhibit G, as delivered to NSP under Section 6.2.

“Required Network Upgrades” shall have the meaning set forth in Section 4.10(B).

“Requirements for Load Change” means Seller’s Requirements for Load Change, as such may be updated or revised from time to time by Seller. Seller’s current Requirements and Compliance Standards for Load Change are attached hereto as Exhibit A, which Exhibit may be changed by Seller with NSP’s permission pursuant to Section 12.8(A).

“Scheduled Outage/Derating” means a planned interruption/reduction of the Facility’s generation that both (i) has been coordinated in advance with NSP, with a mutually agreed start date and duration, in accordance with Section 10.1, and (ii) is required for inspection, or preventive or corrective maintenance.

“Seller’s Interconnection Facilities” means the equipment between the high side disconnect of the step-up transformer at the Facility and the Electric Interconnection Point, including all related relaying protection and physical structures as well as all transmission facilities required to access the Interconnection Provider’s System at the Electric Interconnection Point, along with any easements, rights of way, surface use agreements and other interests or rights in real estate reasonably necessary for the construction, operation and maintenance of such facilities. On the low side of the step-

up transformer it includes Seller's metering, relays, and load control equipment as provided for in the LGIA. This equipment is located within the Facility and is conceptually depicted in Exhibit C to this PPA.

[*Trade Secret Data Begins*]
[*Trade Secret Data Ends*]

"Site" means the parcel of real property on which the Facility will be constructed and located, including any easements, rights of way, surface use agreements and other interests or rights in real estate reasonably necessary for the construction, operation and maintenance of the Facility. The Site is more specifically described in Section 3.2 and Exhibit C to this PPA.

"System Control Center," or "SCC," means NSP's representative(s) responsible for centralized scheduling of generating units based on reported energy production levels.

"Term" means the period of time during which this PPA shall remain in full force and effect.

"Test Energy" means energy that is produced by the Facility, and delivered to the Point of Delivery, in order to perform testing of the Facility (including periodic operation on natural gas or various solid fuel feedstocks) required by this Agreement, by manufacturer's recommendations, by the DOE during the DOE Demonstration Period or by Good Utility Practices.

[*Trade Secret Data Begins*]
[*Trade Secret Data Ends*]

Article 2 - Term and Termination

2.1 Term and Termination. This PPA shall become effective as of the date of its execution, and shall remain in full force and effect through the 25th anniversary of the Commercial Operation Date, subject to any early termination or extension provisions set forth herein. Applicable provisions of this PPA shall continue in effect after termination, including early termination, to the extent necessary to enforce or complete the duties, obligations or responsibilities of the Parties arising prior to termination and, as applicable, to provide for: final billings and adjustments related to the period prior to termination, repayment of any money due and owing to either Party pursuant to this PPA, and the indemnifications specified in this PPA.

Article 3 - Facility Description

3.1 Summary Description. Seller shall construct, own, operate, and maintain the Facility, which shall be an integrated gasification combined cycle ("IGCC") electric

generation facility, producing energy by the conversion of coal and/or other solid fuels to synthesis gas and the combustion of the synthesis gas, or by combustion of natural gas, in either case in a combined cycle configuration. The Facility (i) will not have “black start” capability, (ii) can not be dispatched below Minimum Load, and (iii) shall have a designed net power output capability of approximately 603 MW under Reference Conditions. Exhibit A and Exhibit C to this PPA, which are attached hereto and made a part hereof, provide a description of the Facility, including the following:

(A) identification of the equipment and components which make up the Facility; and

(B) the minimum loading level(s) that will be available for scheduling by NSP for each possible operating configuration of the Facility generating unit(s).

3.2 Location. The Facility shall be located on the Site and shall be identified as Seller’s Mesaba Energy Project – Unit 1 Generating Station. A scaled map that identifies the Site, the location of the Facility at the Site, the location of the Electric Interconnection Point and the location of the important fuel delivery and electric facilities associated with the Site, is included in Exhibit C to this PPA.

3.3 General Design of the Facility. The Facility is a base load generation resource for NSP. Seller shall construct the Facility according to Good Utility Practice(s) and the LGIA. During Commercial Operation, Seller shall maintain the Facility according to Good Utility Practice(s) and the LGIA. In addition to the requirements of the LGIA, the Facility shall at all times:

(A) have the required panel space and 125Vdc battery supplied voltage to accommodate NSP’s metering, generator telemetering equipment and communications equipment;

(B) use communication circuits from the Facility to NSP’s SCC for the purpose of telemetering, supervisory control/data acquisition, energy production reporting and voice communications;

(C) be capable of operating at, and making available for scheduling by NSP, the minimum loading level(s) specified in Exhibit A for operations for each possible operating configuration of the Facility generating unit(s); and

(D) be capable of operating, or continuing to operate without interruption, in combined-cycle mode in the event of a planned or unplanned outage of the Gasification Island.

3.4 Net Capability. The Net Capability at Reference Conditions on the Performance Fuel is expected to be 603,000 kW, as measured at the Point of Delivery. [Trade Secret Data Begins]

[Trade Secret Data Ends]

3.5 Performance Parameters. Exhibit A sets forth the design performance parameters for the Facility. Seller anticipates operating the Facility primarily on synthesis gas from solid fuel, with natural gas as a back-up fuel.

3.6 DOE Demonstration. The Facility has received funding from the DOE as part of the DOE's Clean Coal Power Initiative. During the DOE Demonstration Period the Facility may be required to operate consistently within certain coal use and emission reduction parameters.

Article 4 - Commercial Operation

4.1 Commercial Operation. Subject to extension as specifically provided for in this Agreement, the Facility shall achieve the Commercial Operation Date, and shall be fully capable of reliably producing the Contract Capacity and Contract Energy to be provided under this PPA and delivering such capacity and energy to NSP at the Point of Delivery, no later than the Commercial Operation Milestone.

4.2 Construction Milestones. In order to achieve the Commercial Operation Date by the Commercial Operation Milestone, Seller and the EPC Contractor expect to meet the Construction Milestones set forth in Exhibit B to this PPA, subject to extensions as specifically provided for in this Agreement.

4.3 Site Report. Seller shall conduct a Phase I environmental investigation of the Site and shall provide NSP with a copy of the report summarizing such investigation, together with any data or information generated pursuant to such investigation. Seller shall provide to NSP, with such report, confirmation from an environmental engineer that the Site has been inspected for Environmental Contamination and that the Site complies with all applicable governmental laws, regulations, or requirements relating to environmental or occupational health and safety matters and Hazardous Materials. The term "all applicable governmental laws" in this Section 4.3 shall include all statutes identified in Article 1 under the definition of "Hazardous Materials", and all federal, state, and local environmental health and safety statutes, ordinances, codes, rules, regulations, orders, and decrees regulating, relating to, or imposing liability or standards concerning or in connection with Hazardous Materials. Such report, or other written confirmation provided by Seller, shall include a confirmation that, based upon such investigation and to the best of Seller's knowledge, no conditions involving Environmental Contamination exist at or under the Site.

4.4 Facility Contracts. Seller shall provide to NSP upon request, to the extent available and subject to any confidentiality restrictions, copies of the following major contracts which govern the design and construction of the Facility, and the ability of Seller to deliver capacity and energy to NSP at the Point of Delivery: contracts for the manufacture, delivery and installation of the generating and step-up transformation equipment; engineering, procurement and construction ("EPC"), or other general

contractor, agreements; applicable operating and maintenance agreements; applicable electric transmission and/or interconnection agreements; and applicable natural gas transportation and/or interconnection agreements. Upon reasonable notice and request by NSP, to the extent available, Seller shall provide NSP with other Facility construction contracts and major engineering drawings. Information that is commercially sensitive, confidential or proprietary may be redacted from the documents provided to NSP pursuant to this paragraph. All such contracts shall be deemed Confidential Information of Seller. All contracts for the development, construction and operation of the Facility shall be with competent, financially responsible vendors.

4.5 Progress Reports. Seller shall submit to NSP, on the first Day of each calendar month until the Commercial Operation Date is achieved, progress reports in a form reasonably satisfactory to NSP. These progress reports shall notify NSP of the current status of each Construction Milestone.

4.6 NSP's Rights During Construction. NSP shall have the right to monitor the construction, start-up and testing of the Facility, and Seller shall comply with all reasonable requests of NSP with respect to the monitoring of these events. Seller shall cooperate in such physical inspections of the Facility as may be reasonably requested by NSP during and after completion of construction. All persons visiting the Facility on behalf of NSP shall comply with all of Seller's applicable safety and health rules and requirements, and shall conduct themselves in a manner that will not interfere with the construction, start-up or testing of the Facility. NSP's technical review and inspection of the Facility shall not be construed as endorsing the design thereof nor as any warranty of safety, durability, or reliability of the Facility. All information derived by NSP from such monitoring shall be deemed Confidential Information of Seller.

4.7 Conditions to Commercial Operation. Seller shall notify NSP when in Seller's judgment the Facility has achieved the Commercial Operation Date, which notice shall include evidence reasonably acceptable to NSP of the satisfaction or occurrence of all of the conditions set forth in this Section 4.7 ("Conditions") and shall include a declaration by Seller to that effect. From the date of such notice, Seller shall perform under this PPA as if the Commercial Operation Date has occurred unless and until NSP determines that the Facility has not reached the Commercial Operation Date and Seller agrees, as set forth in this Section 4.7. NSP shall respond in writing within ten (10) Days of Seller's notification, either confirming to Seller that all of the Conditions have been satisfied or have occurred, or stating with specificity those Conditions which NSP believes have not been satisfied or have not occurred. NSP's confirmation shall not be unreasonably withheld or delayed, and NSP's failure to respond within ten (10) Days of Seller's notification shall be deemed to constitute NSP's confirmation to Seller of the satisfaction or occurrence of all Conditions. Unless one or more of the Conditions has not been satisfied, the Commercial Operation Date shall be deemed to have occurred on the date of Seller's notice. The Parties agree that review and approval of such Conditions may occur on an on-going and incremental basis, pending resolution of any dispute, as such Conditions are satisfied. The Conditions are:

(A) Seller has successfully completed testing of the Facility which is required by the Facility's Material Permits, the LGIA, and to establish Accreditable Capacity [*Trade Secret Data Begins*]
[*Trade Secret Data Ends*].

(B) the Facility has achieved (i) one (1) successful start of each combustion turbine generating unit, and the applicable steam turbine generating unit, in combined-cycle operation without experiencing any abnormal operating conditions, (ii) generation in each possible combined-cycle operating configuration while synchronized to Interconnection Provider's System at base load capacity without experiencing any abnormal operating conditions, (iii) continuous generation for a period of not less than sixteen (16) hours while synchronized to Interconnection Provider's System at a net capacity output of at least 90% of the Net Capability without experiencing any abnormal operating conditions, (iv) initial synchronization with the Interconnection Provider's System, and (v) demonstration of the reliability of its communications systems and communications with NSP's SCC;

(C) an independent professional engineer's certification has been obtained by Seller stating that the Facility has been substantially completed in all material respects (excepting punch list items, long-term performance testing or items waived by Seller that do not impact the Facility's ability to deliver Contract Energy under this Agreement) in accordance with this PPA;

(B) Seller is both obligated under, and in compliance with, the LGIA and the interconnection of the Facility to the Interconnection Provider's System has been completed in accordance with the LGIA and has operated at full Facility output capacity without experiencing any abnormal or unsafe operating conditions on any interconnected system [*Trade Secret Data Begins*]
[*Trade Secret Data Ends*].

(E) Seller has made all arrangements required to deliver the Contract Capacity and Contract Energy from the Facility to the Point of Delivery in accordance with the provisions of this PPA;

(F) all arrangements for the use, storage and handling of solid fuel at the Facility have been completed, are in effect, and are available for the operation of the Facility on solid fuel;

(G) all natural gas interconnection arrangements have been completed, are in effect, and are available for the delivery and receipt of natural gas fuel at the Facility;

(H) all arrangements for the supply of required electric services to the Facility, including the supply of turbine unit start-up and shut-down power and energy, have been completed by Seller separate from this PPA, are in effect, and are available for the supply of such electric services to the Facility;

(I) certificates of insurance evidencing the coverages required by Article 15 have been obtained and submitted to NSP; and

(J) Seller has submitted to NSP a certificate of an officer of Seller familiar with the Facility after due inquiry stating that all permits, consents, licenses, approvals, and authorizations required to be obtained by Seller from any Governmental Authority to construct and/or operate the Facility in compliance with applicable law and this PPA have been obtained and are in full force and effect [*Trade Secret Data Begins*] [*Trade Secret Data Ends*], and that Seller is in compliance with the terms and conditions of this PPA in all material respects.

4.8 Test Energy. Seller shall coordinate the production and delivery of Test Energy with NSP. NSP shall cooperate with Seller to facilitate Seller's testing of the Facility and shall purchase Test Energy as follows:

(A) NSP shall accept delivery of all Test Energy delivered to NSP prior to the Commercial Operation Date and purchase such delivered Test Energy at a payment rate equal to NSP's Avoided Cost. Unless otherwise agreed to by the Parties in writing, the payment resulting from the application of such rate to the amount of such delivered Test Energy shall be the sole and exclusive compensation that NSP shall be obligated to make to Seller for the generation and delivery of such Test Energy.

(B) After the Commercial Operation Date, NSP shall schedule the Facility and purchase Test Energy when reasonably requested to do so by Seller to accommodate Seller's testing of the Facility, including, but not limited to, capacity testing pursuant to Section 10.4, any testing required by the DOE during the DOE Demonstration Period, and any other testing of the Facility which Seller is required to perform, or cause to be performed, pursuant to this PPA. NSP shall not be required to purchase such Test Energy in amounts greater than the amount of energy associated with the Contract Capacity. In the event Seller requests NSP to schedule and purchase Test Energy pursuant to this Section 4.8(B) that would not otherwise be economically scheduled by NSP as Contract Energy, (i) NSP shall purchase such Test Energy at a payment rate equal to NSP's Avoided Cost, and (ii) NSP shall have no obligation to make any payments to Seller pursuant to Section 8.3 in connection with the purchase of such Test Energy. To the extent that Seller requests NSP to schedule and purchase Test Energy pursuant to this Section 4.8(B) that would otherwise be economically scheduled by NSP as Contract Energy, NSP shall purchase such Test Energy as Contract Energy and in accordance with the provisions of Article 8. The Parties shall use good faith efforts to schedule the delivery of Test Energy during such time periods when such energy would otherwise be economically scheduled by NSP as Contract Energy.

4.9 Power Island Operation Prior to Commercial Operation Date. During the construction of the Facility prior to the Commercial Operation Date, Seller may commence operation of the Power Island using natural gas as a fuel source. NSP

agrees to cooperate with Seller's reasonable requests in the event Seller requires assistance from NSP in order to deliver energy to the Point of Delivery prior to the Commercial Operation Date (all such energy, the "Pre-COD Energy"). Subject to completion of the LGIA, the Natural Gas Interconnection Facilities, and finalization of all Material Permits required to sell Pre-COD Energy, Seller may sell Pre-COD Energy to any third party without notice to or consent from NSP.

4.10 Transmission Interconnection. The Parties acknowledge that the existing transmission capacity on the transmission grid in Minnesota is generally unable to accommodate any significant new generation on the scale of the Facility and that any new base load plant in Minnesota will necessarily require coordination and approval from MISO of a plan to upgrade the existing transmission network. The Parties recognize that on April 1, 2005, MISO implemented market rules (the "MISO Day 2 Rules") governing operation of its day-ahead and real-time energy markets pursuant to the MISO OATT Energy Markets Tariff ("EMT"), and that on October 7, 2005 MISO filed with FERC in Docket No. ER06-18-000 (the "EMT Amendment Filing") for approval of amendments to the MISO EMT that could result in material changes to the cost allocation and recovery mechanisms relating to Required Network Upgrades. The Parties further acknowledge that requirements and business practices mandated under the MISO Day 2 Rules may change certain rights and obligations hereunder between the Parties, and may also change the rights and obligations of Seller and the Interconnection Provider. Seller submitted its large generator interconnect request to MISO on May 19, 2005 to have the Facility designated as a MISO Network Resource that will interconnect to the grid at the Point of Delivery, and the Facility has been assigned project number G519, queue number 38491-01 by MISO. The Facility must be designated a Network Resource in order to allow NSP to include the Facility as available to meet NSP's resource adequacy requirements under the EMT. The Parties will cooperate reasonably and undertake any reasonably necessary responsibilities in support of Seller's request to have the Facility designated as a Network Resource, and once the Facility is designated a Network Resource, NSP will request transmission service from MISO beyond the Point of Delivery for all Contract Energy delivered under this Agreement. In connection with the implementation of Seller's interconnection request to MISO, the Parties agree as follows:

(A) Interconnection to the Point of Delivery. Seller shall be responsible for obtaining all necessary permits and paying for all costs associated with the permitting and construction of any transmission lines necessary to interconnect the Facility to the Point of Delivery.

(B) Transmission Upgrades Beyond the Point of Delivery. As of the date of this Agreement, MISO is conducting a system impact study (the "Mesaba I SIS") for Seller's interconnection request. Upon completion of the Mesaba I SIS MISO will prepare a study to identify specific transmission upgrades and new construction necessary to alleviate system deficiencies associated with the request (the "Facilities Study"). It is contemplated by the Parties that the final Facilities Study will identify constraints, flowgates, and limitations on the regional transmission system that need to

be alleviated in order for the Facility to be granted Network Resource Interconnection Service and be designated a Network Resource of NSP. The Facilities Study may additionally indicate some network elements that must be replaced, upgraded or constructed on the regional transmission system in order for Seller to be granted interconnection service and for the Facility to be designated a Network Resource of NSP (any such upgrades, the “Required Network Upgrades”). Under the MISO EMT as of the date of this Agreement, the affected transmission owners have the right but not the obligation to make and/or fund any Required Network Upgrades on their transmission systems. If the affected transmission owners refuse to make and/or fund the Required Network Upgrades, then Seller may agree to make and/or fund the Required Network Upgrades on any affected transmission owner’s transmission system under and pursuant to the terms of the LGIA and the MISO EMT.

(C) Execution and Delivery of the LGIA. Final designation of the Facility as a Network Resource can only occur once any and all Required Network Upgrades are completed in accordance with and as contemplated by the LGIA. The LGIA shall contain the definitive plan to implement any Required Network Upgrades, including designation of (i) the Person or Persons responsible for permitting, funding and making the Required Network Upgrades, (ii) the schedule for completion of the Required Network Upgrades and (iii) the cost allocation and recovery mechanism for the Person or Persons responsible for the Required Network Upgrades. The permitting and construction schedule for any Required Network Upgrades will be significantly less than the construction schedule for the Facility, and therefore if the LGIA is executed by all parties prior to the start of construction of the Facility and all parties to the LGIA perform in accordance with their obligations under the LGIA, the Required Network Upgrades will be completed well in advance of the Commercial Operation Milestone. MISO will dictate which affected transmission owners must be parties to the LGIA and Seller will work with MISO and the affected transmission owners to negotiate and complete the LGIA. If any affected transmission owner fails to execute and deliver the LGIA, Seller will file the unexecuted LGIA with FERC for approval and request that FERC direct the affected transmission owner to execute, deliver and perform under the LGIA.

(D) Performance under the LGIA. Seller shall actively monitor the progress of any Required Network Upgrades under the LGIA and will notify NSP and the MPUC if at any time [*Trade Secret Data Begins*] [*Trade Secret Data Ends*] occurs or it otherwise appears that sufficient progress is not being made by any responsible Person under the LGIA to complete the Required Network Upgrades in time for the Facility to be declared a Network Resource prior to the Commercial Operation Milestone. Although the schedule for construction of any Required Network Upgrades under the LGIA will be significantly shorter than the construction schedule for the Facility, the Parties nonetheless agree that timely performance of all obligations under the LGIA by all parties to the LGIA is important to insure timely designation of the Facility as a Network Resource by MISO prior to the Commercial Operation Milestone. Therefore, if any event warranting notice to the MPUC under this section occurs, the

Parties shall jointly petition the MPUC to take whatever action the MPUC believes to be in the best interest of Minnesota ratepayers in response to such event.

(E) [*Trade Secret Data Begins*]

[*Trade Secret Data Ends*]

Article 5 – Delivery, Availability Reporting, Metering and Fuel Supply

5.1 Delivery Arrangements. Seller shall be responsible for all interconnection, electric losses, transmission and ancillary service arrangements and costs required to deliver the Contract Capacity, Contract Energy, Test Energy and Pre-COD Energy (if any) from the Facility to NSP at the Point of Delivery. NSP shall be responsible for all electric losses, transmission and ancillary service arrangements and costs required to receive the Contract Capacity, Contract Energy, Test Energy and Pre-COD Energy (if

any) at the Point of Delivery and deliver such capacity and energy to points beyond the Point of Delivery.

5.2 Availability Reporting.

(A) Seller shall be responsible for providing accurate and timely updates on the current availability of the Contract Capacity to NSP's SCC ("Reported Availability"). NSP shall have the right to verify at any time, without prior notice to Seller, Seller's current Reported Availability. To verify Seller's Reported Availability, NSP shall schedule the Contract Capacity to the level of Reported Availability ("Availability Verification Test"). Deficiencies greater than 3% (rounded upward to the next whole MW) between the tested availability and the Reported Availability ("Deficiency") will result in derating the Contract Capacity availability to the level of the tested available capacity for the then current hour and all subsequent hours until Seller reports a revised level of available Contract Capacity. Upon receiving notice from Seller of a revised Reported Availability, NSP shall have the option of conducting a second Availability Verification Test. If NSP chooses not to conduct a second Availability Verification Test at that time, the Contract Capacity will be considered available to the full level of Seller's Reported Availability until NSP conducts a subsequent Availability Verification Test. The resulting amount of Contract Capacity available for any individual hour shall be integrated over the hour, on a prorated basis, to reflect any updates in Seller's Reported Availability made effective during such hour.

(B) NSP will notify Seller as soon as possible by telephone and thereafter in writing whenever an Availability Verification Test has identified a Deficiency in the Seller's Reported Availability. A second and any subsequent Deficiencies in any billing month shall result in a retroactive derating of the Contract Capacity availability to the capacity level achieved in the most recent Availability Verification Test. The period for retroactive adjustment will be all prior hours in which Seller's most recent Reported Availability was continuously in effect and unverified by NSP. In no event will the period for retroactive availability adjustments exceed ten (10) Days or extend beyond the first Day of the billing month. Three (3) Deficiencies in any two (2) consecutive billing months shall result in a five percent (5%) reduction in the Capacity Price, as set forth in Section 8.1, applicable to the subsequent two billing months.

5.3 Electric Metering Devices.

(A) All Electric Metering Devices used to measure the net capacity and energy made available to NSP by Seller under this PPA and to monitor and coordinate operation of the Facility shall be owned, installed, and maintained by NSP. If Electric Metering Devices are not installed at the Point of Delivery, meters or meter readings will be adjusted to reflect losses from the Electric Metering Devices to the Point of Delivery. All Electric Metering Devices used to provide data for the computation of payments shall be sealed and only NSP shall break the seal when such Electric Metering Devices are to be inspected and tested or adjusted in accordance with Section 5.4. NSP shall specify the number, type, and location of such Electric Metering Devices.

(B) NSP, at its own expense, shall inspect and test all Electric Metering Devices upon installation and at least annually thereafter. NSP shall provide Seller with reasonable advance notice of, and permit a representative of Seller to witness and verify, such inspections and tests, provided, however, that Seller shall not unreasonably interfere with or disrupt the activities of NSP and shall comply with all of NSP's safety standards. Upon request by Seller, NSP shall perform additional inspections or tests of any Electric Metering Device and shall permit a qualified representative of Seller to inspect or witness the testing of any Electric Metering Device, provided, however, that Seller shall not unreasonably interfere with or disrupt the activities of NSP and shall comply with all of NSP's safety standards. The actual expense of any such requested additional inspection or testing shall be borne by Seller, unless upon such inspection or testing an Electric Metering Device is found to register inaccurately by more than the allowable limits established in Section 5.4, in which event the expense of the requested additional inspection or testing shall be borne by NSP. If requested by Seller in writing, NSP shall provide copies of any inspection or testing reports to Seller.

(C) Seller may elect to install and maintain, at its own expense, backup metering devices ("Seller's Back-Up Metering") in addition to those installed and maintained by NSP, which installation and maintenance shall be performed in a manner acceptable to NSP. Seller, at its own expense, shall inspect and test Seller's Back-Up Metering upon installation and at least annually thereafter. Seller shall provide NSP with reasonable advance notice of, and permit a representative of NSP to witness and verify, such inspections and tests, provided, however, that NSP shall not unreasonably interfere with or disrupt the activities of Seller and shall comply with all of Seller's safety standards. Upon request by NSP, Seller shall perform additional inspections or tests of Seller's Back-Up Metering and shall permit a qualified representative of NSP to inspect or witness the testing of Seller's Back-Up Metering, provided, however, that NSP shall not unreasonably interfere with or disrupt the activities of Seller and shall comply with all of Seller's safety standards. The actual expense of any such requested additional inspection or testing shall be borne by NSP, unless, upon such inspection or testing, Seller's Back-Up Metering is found to register inaccurately by more than the allowable limits established in this Article, in which event the expense of the requested additional inspection or testing shall be borne by Seller. If requested by NSP in writing, Seller shall provide copies of any inspection or testing reports to NSP.

(D) If any Electric Metering Devices, or Seller's Back-Up Metering, are found to be defective or inaccurate, they shall be adjusted, repaired, replaced, and/or recalibrated as near as practicable to a condition of zero error by the Party owning such defective or inaccurate device and at that Party's expense.

(E) In the event of any irreconcilable conflict between this Section 5.3 and the LGIA, the LGIA shall control.

5.4 Adjustment for Inaccurate Meters. If an Electric Metering Device, or Seller's Back-Up Metering, fails to register, or if the measurement made by an Electric

Metering Device, or Seller's Back-Up Metering, is found upon testing to be inaccurate by more than one percent (1.0%), an adjustment shall be made correcting all measurements by the inaccurate or defective Electric Metering Device, or Seller's Back-Up Metering, for both the amount of the inaccuracy and the period of the inaccuracy, in the following manner:

(A) In the event that the Electric Metering Device is found to be defective or inaccurate, the Parties shall use Seller's Back-up Metering, if installed, to determine the amount of such inaccuracy, provided, however, that Seller's Back-Up Metering has been tested and maintained in accordance with the provisions of this Article. If Seller's Back-up Metering is installed on the low side of Seller's step-up transformer, the Seller's Back-up metering data shall be adjusted for losses. In the event that Seller did not install back-up metering, or Seller's Back-up Metering is also found to be inaccurate by more than one percent (1.0%), the Parties shall estimate the amount of the necessary adjustment on the basis of deliveries of net capacity and energy from the Facility during periods of similar operating conditions when the Electric Metering Device was registering accurately. The adjustment shall be made for the period during which inaccurate measurements were made.

(B) In the event that the Parties cannot agree on the actual period during which the inaccurate measurements were made, the period during which the measurements are to be adjusted shall be the shorter of (i) the last one-half of the period from the last previous test of the Electric Metering Device to the test that found the Electric Metering Device to be defective or inaccurate, or (ii) the one hundred eighty (180) Days immediately preceding the test that found the Electric Metering Device to be defective or inaccurate.

(C) To the extent that the adjustment period covers a period of deliveries for which payment has already been made by NSP, NSP shall use the corrected measurements as determined in accordance with this Article to recompute the amount due for the period of the inaccuracy and shall subtract the previous payments by NSP for this period from such recomputed amount. If the difference is a positive number, the difference shall be paid by NSP to Seller; if the difference is a negative number, that difference shall be paid by Seller to NSP, or at the discretion of NSP, may take the form of an offset to payments due Seller by NSP. Payment of such difference by the owing Party shall be made not later than thirty (30) Days after the owing Party receives notice of the amount due, unless NSP elects payment via an offset.

5.5 Fuel Arrangements. [*Trade Secret Data Begins*]

[*Trade Secret Data Ends*]

5.6 Natural Gas Fuel Supply Interconnection. Seller shall be responsible for all natural gas interconnection arrangements, and the associated costs, required to interconnect and receive natural gas at the Facility at adequate delivery pressure and volume, and to fully operate the Facility turbine units, using such natural gas fuel, over the Commercial Operation period. Such arrangements include the construction, operation and maintenance of natural gas interconnection facilities, including any natural gas compression, regulation, heating and filter/separation equipment required to fully operate the Facility generating unit(s) over the Commercial Operation period using the natural gas.

Article 6 - Obligation to Sell and Purchase Capacity and Energy

6.1 Sale and Purchase. Beginning on the Commercial Operation Date, Seller shall supply from the Facility and sell to NSP, and NSP shall receive and purchase, the Contract Capacity and Contract Energy, as specified in Article 7 of this PPA. Seller shall deliver the Contract Capacity and Contract Energy to, and make such capacity and energy available for scheduling and receipt by NSP at, the Point of Delivery. To the extent the Facility is available to operate using solid fuel, all of the Contract Capacity and Contract Energy shall be made available for delivery to the Point of Delivery and receipt by NSP as scheduled by NSP under this PPA. [*Trade Secret Data Begins*]

[*Trade Secret Data Ends*] Seller shall not curtail or interrupt deliveries of Contract Capacity and/or Contract Energy for economic reasons.

6.2 [*Trade Secret Data Begins*]

[*Trade Secret Data Ends*]

6.3 Title and Risk of Loss. As between the Parties, Seller shall be deemed to be in control of the Contract Capacity, Contract Energy, Test Energy and Pre-COD Energy (if any) output from the Facility up to and until delivery and receipt at the Point of Delivery and NSP shall be deemed to be in control of such capacity and energy from and after delivery and receipt at the Point of Delivery. Title and risk of loss related to the Contract Capacity, Contract Energy, Test Energy and Pre-COD Energy (if any) shall transfer from Seller to NSP at the Point of Delivery.

6.4 House Power and Maintenance Power. This PPA does not provide for the supply of any electric service by NSP to Seller or to the Facility.

6.5 ISO Intervention. In the event that an independent system operator, regional transmission organization, or other Governmental Authority with jurisdiction assumes or changes responsibility for the scheduling and dispatch of the Facility, the Parties shall modify the scheduling / dispatch procedures for the Facility as necessary to comply with such organization's dispatch procedure, provided that Seller shall be entitled to recover under Section 8.3 any and all costs incurred by Seller in connection with this Section 6.5.

Article 7 - Contract Capacity and Energy

7.1 Contract Capacity. The Contract Capacity provided and sold by Seller and purchased by NSP hereunder shall be all of the net generating capacity available at any time from the Facility at the Point of Delivery. The Contract Capacity purchased by NSP shall include any and all unscheduled capacity available from the Facility.

7.2 Contract Energy. The Contract Energy provided by Seller and received by NSP hereunder shall be the metered, net energy output generated by the Contract Capacity as delivered and adjusted for losses to the Point of Delivery; less any such energy which has not been scheduled by NSP; and less any Test Energy separately purchased by NSP pursuant to Section 4.8(B).

7.3 Scheduling. Subject to the performance parameters set forth on Exhibit A, any Scheduled Outages/Deratings, any Excused Outages and any Forced Outages, (A) NSP's SCC operator shall have the right to determine the scheduling of the Facility, including Facility generating unit starts, shutdowns and loading levels associated with the Contract Capacity and Contract Energy, and (B) the Parties expect that NSP will at all times schedule all of the net energy output generated by the Contract Capacity for dispatch.

7.4 Operating Reserve. All Operating Reserve associated with the Contract Capacity shall be deemed to have been purchased by NSP, shall be made available to NSP as Operating Reserve, and shall be activated by Seller when needed and called upon by NSP. Upon achieving the Commercial Operation Date, Seller shall use reasonable commercial efforts to maximize the Operating Reserve available to NSP from the Contract Capacity, consistent with and subject to Good Utility Practice,

provided that Seller shall not be required to make any extraordinary capital expenditures or incur any significant increased operating expenses in connection with such efforts.

Article 8 - Payment Calculations

[Trade Secret Data Begins]

[Trade Secret Data Ends]

Article 9 - Billing and Payment

9.1 Billing Statement and Invoices.

(A) The billing period under this Agreement shall be the calendar month (or, in the event that the Term begins or ends other than at midnight on the last day of a calendar month, the applicable portion of the relevant calendar month).

(B) As soon as practicable following the end of each billing period, Seller shall (i) prepare an invoice for such billing period (a “Monthly Invoice”) showing metered energy from the Facility (adjusted for losses to the Point of Delivery), all relevant billing parameters (including starts and fired hours per turbine), rates and factors, and any other data reasonably pertinent to the calculation of the monthly payments and other amounts due to Seller for such billing month, and (ii) deliver the Monthly Invoice to NSP both electronically and by first-class mail. All billing data based upon metered deliveries to NSP shall be collected in accordance with Article 5.

(C) In the event that Seller owes NSP any amounts under this Agreement, NSP shall provide to Seller by electronic transmission (with hard copy provided by first-class mail) an invoice showing the payment amount due to NSP from Seller. The invoice will include any data reasonably pertinent to the calculation of the payment due to NSP.

(D) Billing disputes shall be resolved in accordance with Section 9.3 of this Agreement.

9.2 Payments.

(A) All regular monthly payments payable to Seller from NSP under Article 8 shall be due and paid by NSP by check or by electronic funds transfer, as designated by Seller from time to time, on or before the last to occur of (i) the twenty-

fourth (24th) Day of the month following the end of the relevant billing period, or (ii) fifteen (15) Days following receipt by NSP of the electronic copy of the Monthly Invoice under Section 9.1(B) and the electronic copy of the Operating Log under Section 12.5. Unless otherwise specified herein, all other payments under this Agreement shall be due and payable by check or electronic funds transfer, as designated by the owed Party, on or before the fifteenth (15th) Day following receipt of the billing invoice. Remittances received by mail will be considered to have been paid when due if the postmark indicates the payment was mailed on or before the fifteenth (15th) Day following receipt of the billing invoice.

(B) If any amount due under this Agreement is not paid on or before the due date, a late payment charge shall be applied to the unpaid balance commencing on such due date and continuing until the amount due is paid. Such charge shall be in addition to and not limit the remedies of Seller for late payments under this Agreement, which shall include, without limitation, injunctive relief. The late payment charge shall be added to the next billing statement and to subsequent billing statements until the amount due is paid. Such late payment charge shall be calculated based upon a floating annual interest rate equal to the Prime Rate plus two percent, as the Prime Rate may change from time to time. For purposes of this Agreement, the “Prime Rate” as of any Day means the base rate on corporate loans posted by at least seventy-five percent (75%) of the nation's thirty (30) largest banks for such Day, as published in The Wall Street Journal from time to time. In the event The Wall Street Journal ceases to publish the “Prime Rate,” then NSP and Seller shall agree as to an appropriate substitute reference that represents the base rate on corporate loans posted by major banks having one or more lending offices in New York, New York.

9.3 Billing Disputes.

(A) Either Party may dispute invoiced amounts, but shall pay to the other Party at least the portion of invoiced amounts that is not disputed reasonably and in good faith on or before the invoice due date. In the event that any amount in dispute under this Agreement exceeds one hundred thousand dollars (US\$100,000), within ten (10) Days following the request of the Party allegedly owed the money, pending resolution of the dispute, if the Credit Rating of the Party alleged to owe the money is below Investment Grade, then the Party alleged to owe the money shall deposit the disputed amount into an interest-bearing escrow account at a national bank with an Investment Grade Credit Rating; provided, however, if Seller has posted a letter of credit in favor NSP or provided an Investment Grade corporate guaranty to NSP in an amount greater than the disputed amount, Seller shall not be obligated to deposit such funds into an escrow account. In particular, notwithstanding anything herein to the contrary, if (i) Seller alleges that NSP owes Seller more than one hundred thousand dollars (US\$100,000), (ii) NSP's Credit Rating is below Investment Grade, and (iii) NSP fails to pay Seller or deposit the amount allegedly owed into escrow in accordance with this Section 9.3(A) within ten (10) Days following written demand by Seller delivered in accordance with Section 12.1 (which demand specifically references Seller's intent to suspend performance pursuant to this Section), Seller may suspend its performance of

this Agreement until NSP complies with this Section 9.3(A). Such suspension shall not limit the remedies of Seller for late payment under this Agreement, which shall include, without limitation, injunctive relief. During any such suspension period, Seller may sell the Contract Capacity and Contract Energy to any third party purchaser, and the net proceeds to Seller from those third party sales shall be used to offset the payment(s) otherwise payable by NSP to Seller under Article 8 for the period of such suspension, up to the amount(s) of such payment(s), net of any costs associated with NSP's failure to pay.

(B) To resolve any billing dispute, the Parties shall use the procedures set forth in Section 12.9. When the billing dispute is resolved, the Party owing shall pay the amount owed within ten (10) Business Days of the date of such resolution, with late payment interest charges calculated on the amount owed in accordance with the provisions of Section 9.2.

Article 10 - Operations and Maintenance

10.1 Scheduled Maintenance.

(A) Seller shall provide a schedule of the expected Scheduled Outages/Deratings for the Facility ("Maintenance Schedule") for the first Commercial Operation Year prior to November 1, 2011. Thereafter, on or before every November 1st, Seller shall submit an annual Maintenance Schedule for the next successive Commercial Operation Year. On or before November 1, 2011, and every November 1st thereafter, Seller shall also supply a long-term Maintenance Schedule that will encompass the following four Commercial Operation Years. Any requested change in the annual Maintenance Schedule, by either Party, shall be furnished to the other Party with reasonable advance notice. Reasonable advance notice of any requested change in the Maintenance Schedule is as follows:

<u>Scheduled Outage Expected Duration</u>	<u>Advance Notice Required</u>
(1) Less than 2 Days	at least 24 hours
(2) 2 to 5 Days	at least 7 Days
(3) Major overhauls (over 5 Days)	at least 90 Days

(B) Seller shall not schedule any maintenance outages for the Facility, excluding outages associated with Emergencies and Forced Outages, during any Business Day of an On-Peak Month without the prior written approval of NSP.

(C) NSP shall provide Seller the opportunity to use [*Trade Secret Data Begins*] [*Trade Secret Data Ends*] of Scheduled Maintenance Energy (SME) per MW of Net Capability during each Commercial Operation Year as a credit towards Seller's Capacity Availability Factor (CAF) pursuant to the payment calculation specified in Section 8.1, provided, that such SME is scheduled in advance with NSP pursuant to this

Article and approved in writing by NSP prior to Seller's use of such SME. In the event Seller uses less than [*Trade Secret Data Begins*] [*Trade Secret Data Ends*] of SME per MW of Net Capability in a Commercial Operation Year, Seller may carry over for use in the next Commercial Operation Year unused SME as additional credit towards Seller's CAF during the next Commercial Operation Year, provided, that such SME carried over shall also be scheduled in advance with NSP pursuant to this Article and approved in writing by NSP prior to Seller's use of such SME, and provided further, that the total SME per MW of Net Capability that may be accumulated by Seller for use in any Commercial Operation Year, beginning with the second Commercial Operation Year and including carry over SME, shall not exceed [*Trade Secret Data Begins*] [*Trade Secret Data Ends*] of SME per MW of Net Capability for that Commercial Operation Year. SME may not be advanced from future Commercial Operation Years.

(C) To the extent practicable and consistent with other provisions of this PPA and Good Utility Practice, Scheduled Outages/Deratings shall be coordinated between the Parties and shall be scheduled to take place during calendar months that are not On-Peak Months. Notwithstanding the foregoing, NSP shall have the right to request a change in the start date of any Scheduled Outage/Derating proposed by Seller in the Maintenance Schedule provided to NSP pursuant to paragraph (A) above; provided, that the changed start date must be within forty-five (45) Days, earlier or later, of the start date set forth for such outage/derating in the most recent Maintenance Schedule provided by Seller.

(D) Notwithstanding paragraph (A) above, not less than twelve (12) hours prior to commencement of any planned maintenance outage for the Facility previously scheduled by Seller in accordance with paragraphs (A) through (C) above, NSP may request, by phone, that Seller defer such scheduled maintenance. Subject to Good Utility Practice, Seller shall use commercially reasonable efforts to comply with any such request and reschedule such planned maintenance to a subsequent date mutually agreed upon between the Parties. In connection with any such request by NSP for deferral of scheduled maintenance, Seller shall provide to NSP, in advance, a non-binding good faith estimate of the incremental direct costs to be incurred by Seller in order to comply with such request. If NSP desires Seller to incur such incremental costs at NSP's expense, NSP shall promptly advise Seller to that effect. Seller may then invoice NSP for, and NSP shall pay Seller for, all of the actual incremental direct costs incurred by Seller in connection with such deferral and rescheduling of maintenance.

10.2 Facility Operation. Seller shall staff, control, and operate the Facility consistent at all times with Good Utility Practice(s) and the Operating Procedures developed pursuant to Section 10.5 below. Personnel capable of starting, operating, and stopping the Facility shall be continuously available at the Facility during all hours of every Day during Commercial Operation. Seller shall use reasonable commercial efforts to maximize the availability of the Facility, consistent with and subject to Good Utility Practice and the performance parameters set forth on Exhibit A.

10.3 Outage and Performance Reporting. Seller shall comply with all current NSP, NERC, MISO and MAPP generating unit outage reporting requirements, as they may be revised from time to time, and as they apply to the Facility, including the following:

(A) When Forced Outages occur, Seller shall notify NSP's SCC of the existence, nature, and expected duration of the Forced Outage as soon as practical, but in no event later than fifteen (15) minutes after the Forced Outage occurs. Seller shall immediately inform NSP's SCC of changes in the expected duration of the Forced Outage unless relieved of this obligation by NSP's SCC for the duration of each Forced Outage.

(B) Seller shall report to NSP information on Facility performance during a calendar month within five (5) Business Days after the end of the calendar month. For each turbine generator, and using definitions provided by, and/or consistent with, the the NERC Generation Availability Data System ("GADS") Manual, or any successor document, the data reported shall include, but may not be limited to, planned derated hours, unplanned derated hours, average derated kW from Net Capability during the derated hours, scheduled maintenance hours, average derated kW during scheduled maintenance hours, the number of turbine starts, hours on-control and hours on-line.

10.4 Capacity Accreditation. NSP has certain planning, operating and reporting requirements with the Mid-Continent Area Power Pool (MAPP) regarding capacity accreditation for the Facility. Seller shall perform annual tests and calculations in strict compliance with MAPP guidelines and requirements for Facility capacity accreditation (including without limitation appropriate heat rate testing for the principal solid fuel or solid fuel blend expected to be used by the Facility for the upcoming annual period), as they may change from time to time. All MAPP required testing of the Facility shall be conducted at NSP's expense. NSP will be responsible for seeking MAPP accreditation for the Facility during the period of Commercial Operation.

10.5 Operating Committee and Operating Procedures; Fuel Subcommittee.

(A) NSP and Seller shall each appoint one representative and one alternate representative to act in matters relating to the Parties' performance obligations under this PPA and to develop operating arrangements for the generation, delivery and receipt of electric capacity and energy hereunder. Such representatives shall constitute the Operating Committee. The Parties shall notify each other in writing of such appointments and any changes thereto. The Operating Committee shall have no authority to modify the terms or conditions of this PPA.

(B) Prior to the Commercial Operation Date, the Operating Committee shall develop mutually agreeable written Operating Procedures which shall include, but not be limited to, method of day-to-day communications; metering, telemetering, telecommunications, and data acquisition procedures; key personnel list for applicable

NSP and Seller operating centers; operations and maintenance scheduling and reporting; daily capacity and energy reports; unit operations log; and such other matters as may be mutually agreed upon by the Parties.

[Trade Secret Data Begins]

[Trade Secret Data Ends]

10.6 Access to Facility. Appropriate representatives of NSP shall at all reasonable times, including weekends and nights, and with reasonable prior notice, have access to the Facility to read meters and to perform all inspections, maintenance, service, and operational reviews as may be appropriate to facilitate the performance of this PPA. While at the Facility, such representatives shall observe such reasonable safety precautions as may be required by Seller and shall conduct themselves in a manner that will not interfere with the operation of the Facility.

10.7 Reliability Standards. Seller shall operate the Facility in a manner that complies with all national and regional reliability standards, including standards set by MAPP, MISO, NERC, the FERC, and the MPUC, or any successor agencies setting reliability standards for the operation of generation facilities. Upon notice to Seller from NSP and to the extent that NSP reasonably demonstrates that Seller or the Facility causes monetary penalties being assessed to NSP by MAPP, MISO, NERC, or any successor agency, for lack of compliance with reliability standards, Seller shall reimburse NSP for its share of such monetary penalties.

10.8 Operations and Maintenance Agreement Seller may enter into the O&M Agreement to provide for operations and maintenance of the Facility.

10.9 Operations and Maintenance Plan and Budget The operations and maintenance plan for the Facility, the Variable O&M Costs as set forth in Section 8.2 and the Fixed O&M as set forth in Section 8.4 are subject to review and adjustment by

the Operating Committee every five years, commencing in the fifth Commercial Operation Year, at the request of any member of the Operating Committee.

Article 11 - Default and Remedies

11.1 Events of Default of Seller.

(A) Any of the following shall constitute an Event of Default of Seller upon its occurrence and no cure period shall be applicable:

(1) Seller's dissolution or liquidation;

(2) Seller's assignment of this PPA or any of its rights hereunder for the benefit of creditors (except for an assignment to the Facility Lender under Section 18.1(B) or otherwise as security under the Financing Documents as permitted by this PPA);

(3) Seller's filing of a petition in bankruptcy or insolvency or for reorganization or arrangement under the bankruptcy laws of the United States or under any insolvency act of any state, or Seller voluntarily taking advantage of any such law or act by answer or otherwise;

(4) The sale by Seller to a third party, or diversion by Seller for any use, of Contract Capacity or Contract Energy committed to NSP by Seller (other than (w) capacity or energy used to serve the parasitic load of the Facility, (x) inadvertent flows through the relevant Interconnection Facilities, (y) capacity or energy committed or sold pursuant to an order or other requirement from MISO, and (z) energy sold pursuant to any of Sections 6.5, 9.3(A) or 11.9; and/or

(5) Seller's actual fraud, waste, tampering with NSP-owned facilities, or other material intentional misrepresentation or misconduct in connection with this PPA and/or the operation of the Facility.

(B) Any of the following shall constitute an Event of Default of Seller upon written notice from NSP to Seller but shall be subject to cure (by performance, the payment of money damages, or otherwise) within thirty (30) Days (or, if only curable by performance, not the payment of money damages, such longer period as may reasonably be required to effect such a cure, provided that Seller commences the cure within such thirty (30) Day period and diligently pursues such cure to conclusion thereafter) after the date of such written notice from NSP to Seller and the Facility Lender as provided for in Section 12.1:

(1) Seller's Abandonment of construction or operation of the Facility;

(2) [*Trade Secret Data Begins*]

[Trade Secret Data Ends]

(3) Seller's failure to deliver the Contract Capacity and Contract Energy [Trade Secret Data Begins] [Trade Secret Data Ends] due to a failure to maintain in effect any arrangement reasonably required to deliver the Contract Capacity and Contract Energy to the Point of Delivery pursuant to Section 5.1; and/or

(4) Seller's failure to comply with any other material obligation under this PPA, which results in a material adverse impact on NSP.

(C) Subject to any automatic extension permitted under this Agreement, Seller's [Trade Secret Data Begins] [Trade Secret Data Ends] shall constitute an Event of Default of Seller upon written notice from NSP to Seller and the Facility Lender as provided for in Section 11.2 and Section 12.1; provided, however, that Seller [Trade Secret Data Begins]

[Trade Secret Data Ends].

(D) Any of the following shall constitute an Event of Default of Seller upon written notice from NSP to Seller but shall be subject to cure (by performance, the payment of money damages, or otherwise) within sixty (60) Days (or, if only curable by performance, not the payment of money damages, such longer period as may reasonably be required to effect such a cure, provided that Seller commences the cure within such thirty (30) Day period and diligently pursues such cure to conclusion thereafter) after the date of written notice from NSP to Seller and the Facility Lender as provided for in Section 12.1:

(1) Subject to the provisions of Section 9.3 regarding disputed payments, Seller's failure to make any payment required under this PPA;

(2) [Trade Secret Data Begins]

[Trade Secret Data Ends].

(3) Seller's assignment of this PPA (other than as permitted by this Agreement), or Change of Control of Seller, or Seller's sale or transfer of its interest, or any part thereof, in the Facility, except as permitted in accordance with Article 18;

(4) Any representation or warranty made by Seller in this PPA shall prove to have been false or misleading in any respect when made, resulting in a material adverse impact on NSP; and/or

(5) The filing of a case in bankruptcy or any proceeding under any other insolvency law against Seller as debtor, or against its parent or any other Affiliate that could materially impact Seller's ability to perform its obligations hereunder; provided, however, that Seller does not obtain a stay or dismissal of the filing within the cure period.

11.2 Facility Lender's Right to Cure Default of Seller. Seller shall provide NSP with a notice identifying the Facility Lender and providing appropriate contact information for the Facility Lender, and may subsequently provide changes to such contact information from time to time. Following receipt of such notice, NSP shall provide notice of any Event of Default of Seller to the Facility Lender, and NSP will accept a cure to an Event of Default of Seller performed by the Facility Lender, so long as the cure is accomplished within the applicable cure period set forth in this PPA or such other period as may be specified in a consent to assignment or other agreement between NSP and the Facility Lender.

11.3 Events of Default of NSP.

(A) Any of the following shall constitute an Event of Default of NSP upon its occurrence and no cure period shall be applicable:

(1) NSP's dissolution or liquidation, provided that division of NSP into multiple entities, whether or not including or followed by dissolution or liquidation of NSP, shall not constitute a default if all of NSP's obligations under this Agreement, both prospective and accrued, are assumed by the same entity that assumes all or substantially all of NSP's wholesale power purchase obligations (the "Successor"), and either (a) the Successor holds an Investment Grade Credit Rating, or (b) to secure its obligations under this Agreement, the Successor posts such collateral in favor of Seller as Seller or the Facility Lender reasonably may require;

(2) NSP's assignment of this PPA or any of its rights hereunder for the benefit of creditors; and/or

(3) NSP's filing of a petition in bankruptcy or insolvency or for reorganization or arrangement under the bankruptcy laws of the United States or under any insolvency act of any State, or NSP voluntarily taking advantage of any such law or act by answer or otherwise.

(B) NSP's failure to make any payment as and when required under this PPA, or NSP's failure to comply with any other material obligation under this PPA which would result in a material adverse impact on Seller, shall constitute an Event of

Default of NSP upon its occurrence but shall be subject to cure within thirty (30) Days after the date of written notice from Seller to NSP as provided for in Section 12.1:

(C) Any of the following shall constitute an Event of Default of NSP upon its occurrence but shall be subject to cure within sixty (60) Days after the date of written notice from Seller to NSP as provided for in Section 12.1:

(1) The filing of a case in bankruptcy or any proceeding under any other insolvency law against NSP or its parent or any other Affiliate that could materially impact NSP's ability to perform its obligations hereunder; provided, however, that NSP does not obtain a stay or dismissal of the filing within the cure period;

(2) NSP's assignment of this PPA, except as permitted in accordance with Article 18; and/or

(3) Any representation or warranty made by NSP in this PPA shall prove to have been false or misleading in any material respect when made or ceases to remain true during the Term if such falsehood or cessation would reasonably be expected to result in a material adverse impact on Seller.

11.4 Permitted Delays.

(A) Permit Delays. (1) Seller covenants to NSP that Seller will apply for each Material Permit on or before such date as will allow for issuance thereof by [*Trade Secret Data Begins*] [*Trade Secret Data Ends*], assuming the normal timeline for approval of the applicable issuing Governmental Authority, and (2) Seller warrants that to the best of Seller's knowledge there exists no reason specific to the Site or the Facility (as opposed to unanticipated administrative delays, public intervention, environmental concerns, and other possible reasons for delay common to any greenfield coal-fueled power plant) why all Material Permits cannot be obtained prior to [*Trade Secret Data Begins*] [*Trade Secret Data Ends*]. Seller shall use its best efforts to obtain all Material Permits as soon as practicable, regardless of any delays. If despite such efforts Seller is unable to obtain all Material Permits by [*Trade Secret Data Begins*] [*Trade Secret Data Ends*], then, notwithstanding anything to the contrary set forth in this Agreement:

(i) If Seller has not obtained all Material Permits by [*Trade Secret Data Begins*] [*Trade Secret Data Ends*] but obtains all Material Permits on or before [*Trade Secret Data Begins*] [*Trade Secret Data Ends*], the Permit Milestone Date and the Commercial Operation Milestone shall be extended Day-for-Day, for each Day of Permit Delays beyond September 1, 2007.

(ii) If Seller has not obtained all Material Permits by [*Trade Secret Data Begins*] [*Trade Secret Data Ends*], this Agreement shall terminate automatically on such date, unless an independent engineer, mutually agreed to by the Parties, provides a written opinion to NSP stating that Seller is diligently pursuing all

Material Permits, in which case this Agreement shall not terminate automatically until [Trade Secret Data Begins] [Trade Secret Data Ends]. Effective as of the date of any such termination, each Party shall be released from all financial and other obligations under this Agreement, except as otherwise provided in Section 19.8.

(B) Delay Conditions Attributable to NSP. Seller shall be excused from an inability to meet the Commercial Operation Milestone if and to the extent that the inability is attributable to some or all of the following (altogether, “Delay Conditions”):

(i) any delay or failure by NSP to obtain any permits, consents or approvals from Governmental Authorities or other third parties required for NSP to perform its obligations under this Agreement (whether or not caused by any conditions or events of Force Majeure); or

(ii) any delay to the extent caused by an event that would constitute an Excused Outage if the event had occurred after the Commercial Operation Date.

In the event of such Delay Conditions, the Commercial Operation Milestone shall be extended for a period equal to the longest period of time between (i) any Construction Milestone that is not met due to the Delay Condition(s), and (ii) the Day that the Delay Condition(s) are corrected.

(C) [Trade Secret Data Begins]

[Trade Secret Data Ends]

11.5 Termination. Upon the occurrence of an Event of Default which has not been cured within the applicable cure period, the non-defaulting Party shall have the right to declare a date, which shall be between fifteen (15) and thirty (30) Days after the notice thereof, upon which this PPA shall terminate. Neither Party shall have the right to terminate this PPA except as provided for upon the occurrence of an Event of Default as described above or as otherwise may be explicitly provided for in this PPA.

11.6 Limitation on Damages. Upon the termination of this PPA under this Section 11.5, the non-defaulting Party shall be entitled to receive from the defaulting Party, subject to the limitation on damages set forth in this Section 11.6, all of the damages incurred by the non-defaulting Party in connection with such termination. Except as otherwise provided in this Section 11.6 below, Seller’s aggregate financial liability to NSP for damages under this Agreement shall not exceed [Trade Secret Data Begins] [Trade Secret Data Ends]. The limitations on damages set forth in this paragraph shall not apply to damages arising out of any of the following events:

(A) actual fraud, waste, tampering with NSP owned facilities, or other material intentional misrepresentation or misconduct by Seller in connection with this PPA and/or the operation of the Facility;

(B) the sale by Seller to a third party, or diversion by Seller for any use, of Contract Capacity or Contract Energy committed to NSP under this PPA (other than (w) capacity or energy used to serve the parasitic load of the Facility, (x) inadvertent flows through the relevant Interconnection Facilities, (y) capacity or energy committed or sold pursuant to an order or other requirement from MISO, and (z) energy sold pursuant to any of Sections 6.5, 9.3(A) or 11.9); and/or

(C) rejection or other termination of this Agreement in connection with any bankruptcy proceeding involving Seller.

11.7 Specific Performance. In addition to the other remedies specified in this Article 11, in the event that any Event of Default of Seller is not cured within the applicable cure period set forth herein, NSP may elect to treat this PPA as being in full force and effect and NSP shall have the right to specific performance. If the breach by Seller arises from a failure by a third party operating the Facility pursuant to an operating agreement entered into with Seller, and Seller fails or refuses to enforce its rights under the operating agreement which would result in the cure, or partial cure, of the Event of Default, NSP's right to specific performance shall include the right to obtain an order compelling Seller to enforce its rights under the operating agreement. Likewise, for any breach of this PPA by NSP, other than payment obligations, Seller shall have the right to specific performance.

11.8 Remedies Cumulative. Subject to the limitations on damages set forth in Section 11.6, each right or remedy of the Parties provided for in this PPA shall be cumulative of and shall be in addition to every other right or remedy provided for in this PPA, and the exercise, or the beginning of the exercise, by a Party of any one or more of the rights or remedies provided for herein shall not preclude the simultaneous or later exercise by such Party of any or all other rights or remedies provided for herein.

11.9 NSP Failure to Pay. In the event NSP fails to pay Seller any amount due to Seller, and Seller notifies NSP in writing of same, NSP shall make payment of undisputed amounts owing to Seller within five (5) Business Days following such notice. If (i) NSP fails to pay Seller undisputed amounts within the allowed five (5) Business Days, and (ii) Seller's notice specifically references Seller's intent to suspend performance pursuant to this Section, then Seller may elect to suspend supplying Contract Capacity and Contract Energy to NSP until such time as the undisputed amounts are paid. During any such suspension period, Seller may sell the Contract Capacity and Contract Energy to any third party purchaser, and the net proceeds to Seller from those third party sales shall be used to offset the payment(s) otherwise payable by NSP to Seller for the period of such suspension, up to the amount(s) of such payment(s).

11.10 Waiver and Exclusion of Other Damages. The Parties confirm that the express remedies and measures of damages provided in this PPA satisfy the essential purposes hereof, and that the reduction in the Monthly Capacity Payment under Section 8.1 shall be NSP's sole remedy (other than termination as permitted under this Agreement) for the Facility being unable to deliver Contract Capacity or Contract Energy under this Agreement. Seller shall not be liable to NSP for any replacement power costs in the event the Facility is for any reason unable to deliver Contract Energy or Contract Capacity under this Agreement. If no remedy or measure of damages is expressly herein provided, the obligor's liability shall be limited to direct, actual damages only. Neither Party shall be liable to the other Party for consequential, incidental, punitive, exemplary or indirect damages, lost profits or other business interruption damages by statute, in tort or contract; provided, that if either Party is held liable to a third party for such damages and the Party held liable for such damages is entitled to indemnification therefor from the other Party hereto, the indemnifying Party shall be liable for, and obligated to reimburse the indemnified Party for, such damages. To the extent any damages required to be paid hereunder are liquidated, the Parties acknowledge that the damages are difficult or impossible to determine, that otherwise obtaining an adequate remedy is inconvenient, and that the liquidated damages constitute a reasonable approximation of the harm or loss.

11.11 Payment of Amounts Due. Without limiting any other provisions of this Article 11, at any time after termination of this PPA, each Party may send to the other Party an invoice for such damages or other amounts as are due at such time from the other Party under this PPA and such invoice shall be payable in the manner, and in accordance with the applicable provisions, set forth in Article 9, including, without limitation, the provision for late payment charges.

11.12 Duty to Mitigate. Each Party agrees that it has a duty to mitigate damages and covenants that it will use commercially reasonable efforts to minimize any damages it may incur as a result of the other Party's performance or non-performance of this PPA.

Article 12 - Contract Administration and Notices

12.1 Notices in Writing. Notices required by this PPA shall be addressed to the other Party, including the other Party's representative on the Operating Committee, at the addresses noted in Exhibit E as either Party updates them from time to time by written notice to the other Party. Any notice, request, consent, or other communication required or authorized under this PPA to be given by one Party to the other Party shall be in writing. It shall either be hand delivered or mailed, postage prepaid, to the representative of said other Party. If mailed, the notice, request, consent or other communication shall be simultaneously sent by facsimile or other electronic means. Any such notice, request, consent, or other communication shall be deemed to have been received by the close of the Business Day on which it was hand delivered or transmitted electronically (unless hand delivered or transmitted after such close in which case it shall be deemed received at the close of the next Business Day). Real-time or

routine communications concerning Facility operations shall be exempt from this Section.

12.2 Representative for Notices. Each Party shall maintain a designated representative to receive notices. Such representative may, at the option of each Party, be the same person as that Party's representative or alternate representative on the Operating Committee, or a different person. Either Party may, by written notice to the other Party, change the representative or the address to which such notices and communications are to be sent.

12.3 Authority of Representatives. The Parties' representatives designated above shall have authority to act for its respective principals in all technical matters relating to performance of this PPA and to attempt to resolve disputes or potential disputes. However, they, in their capacity as representatives, shall not have the authority to amend or modify any provision of this PPA.

12.4 Operating Records. Seller and NSP shall each generate and preserve, during the Term and for a period of at least three (3) years thereafter, complete and accurate records, data and other information required by each of them for the purposes of proper administration of this Agreement, including (i) such records as may be required by state or federal regulatory authorities and MAPP, in the prescribed format, (ii) all data required to compute the payments due to Seller under Article 8, and (iii) all records and information necessary to confirm billings and payments under Article 9. Each Party shall be entitled to examine and audit the records, data and other information maintained by the other Party, relevant to performance or confirming performance of this Agreement, at any time and from time to time during the period such records, data and information are required to be maintained, upon request, on reasonable prior notice, during normal business hours.

12.5 Operating Log. Seller shall maintain an accurate and up-to-date operating log, in electronic format, at the Facility with records of production for each clock hour; changes in operating status; Scheduled Outage/Deratings, Excused Outages and Forced Outages; number of generating unit starts, and any unusual conditions found during inspections. Seller must maintain accurate and up-to-date logs of dispatched and scheduled energy, including Test Energy, and other records needed in order to comply with this PPA, including but not limited to clear separation of the hours each generating unit is operated for the generation of Contract Energy and the hours each generating unit is operated for other purposes. Seller shall also maintain accurate and up-to-date information relating to solid fuel inventory and consumption of solid fuel and natural gas during any given operating period. Seller shall also maintain, in electronic format, accurate hourly information regarding energy, if any, generated for sales to others. By the fifth (5th) Day of each calendar month, Seller shall submit to NSP, in electronic format, a copy of the Operating Log for the previous calendar month.

12.6 Billing and Payment Records. To facilitate payment and verification, Seller and NSP shall keep all books and records necessary for billing and payments in

accordance with the provisions of Article 9 and grant the other Party reasonable access to those records. All records of Seller pertaining to the operation of the Facility shall be maintained on the premises of the Facility.

12.7 Examination of Records. Seller and NSP may examine the financial and Operating Records and data kept by the other Party relating to transactions under and administration of this PPA at any time during the period the records are required to be maintained, upon request and during normal business hours.

12.8 Exhibits.

(A) Exhibit A and Exhibit C may be changed from time to time with NSP's permission (not to be unreasonably withheld) at Seller's reasonable discretion. Seller shall provide reasonable prior notice to NSP of any such change in order to permit NSP to address such change in a timely and economical manner.

(B) Either Party may change the information for their notice addresses in Exhibit E at any time without the approval of the other Party. Exhibit B and Exhibit D may be changed at any time with the mutual consent of both Parties (not to be unreasonably withheld). Exhibit F may be changed in accordance with Section 15.2(B).

12.9 Dispute Resolution.

(A) In the event of any dispute arising under this PPA (a "Dispute"), within ten (10) Days following the delivered date of a written request by either Party (a "Dispute Notice"), (i) each Party shall appoint a representative (individually, a "Party Representative", together, the "Parties' Representatives"), and (ii) the Parties' Representatives shall meet, negotiate and attempt in good faith to resolve the Dispute quickly, informally and inexpensively. In the event the Parties' Representatives cannot resolve the Dispute within thirty (30) Days after commencement of negotiations, within ten (10) Days following any request by either Party at any time thereafter, each Party Representative (I) shall independently prepare a written summary of the Dispute describing the issues and claims, (II) shall exchange its summary with the summary of the Dispute prepared by the other Party Representative, and (III) shall submit a copy of both summaries to a senior officer of the Party Representative's Party with authority to irrevocably bind the Party to a resolution of the Dispute. Within ten (10) Business Days after receipt of the Dispute summaries, the senior officers for both Parties shall negotiate in good faith to resolve the Dispute. If the Parties are unable to resolve the Dispute within fourteen (14) Days following receipt of the Dispute summaries by the senior officers, either Party may seek available legal remedies.

(B) Notwithstanding any provision in this PPA to the contrary, if no Dispute Notice has been issued within twenty-four (24) months following the occurrence of all events and the existence of all circumstances giving rise to the Dispute (regardless of the knowledge or potential knowledge of either Party of such events and

circumstances), the Dispute and all claims related thereto shall be deemed waived and the aggrieved Party shall thereafter be barred from proceeding thereon.

Article 13 - Force Majeure

13.1 Definition of Force Majeure. The term “Force Majeure”, as used in this PPA, means causes or events beyond the reasonable control of, and without the fault or negligence of the Party claiming Force Majeure, including, without limitation, acts of God, sudden actions of the elements such as floods, earthquakes, hurricanes, or tornadoes; sabotage; vandalism beyond that which could reasonably be prevented by Seller; terrorism; war; riots; fire; explosion; blockades; insurrection; strike; slow down or labor disruptions (even if such difficulties could be resolved by conceding to the demands of a labor group); and actions by any Governmental Authority taken after the date hereof (including the adoption or change in any rule or regulation or environmental constraints lawfully imposed by such Governmental Authority) but only if such requirements, actions, or failures to act prevent or delay performance; and inability, despite due diligence, to obtain any licenses, permits, or approvals required by any Governmental Authority. The term Force Majeure does not include (i) any acts or omissions of any third party, including, without limitation, any vendor, materialman, customer, or supplier of Seller, unless such acts or omissions are themselves excused by reason of Force Majeure; (ii) any full or partial curtailment in the electric output of the Facility that is caused by or arises from a mechanical or equipment breakdown or other mishap or events or conditions attributable to normal wear and tear or flaws, unless such mishap is caused by one of the following: catastrophic equipment failure; acts of God; sudden actions of the elements, including, but not limited to, floods, hurricanes, or tornadoes; sabotage; terrorism; war; riots; and emergency orders issued by a Governmental Authority; or (iii) changes in market conditions that affect the cost of NSP’s or Seller’s supply of fuel or alternative supplies of fuel, or that affect demand or price for any of NSP’s or Seller’s products.

13.2 Applicability of Force Majeure.

(A) Neither Party shall be responsible or liable for any delay or failure in its performance under this PPA, nor shall any delay, failure, or other occurrence or event become an Event of Default, to the extent such delay, failure, occurrence or event is substantially caused by conditions or events of Force Majeure, provided that:

(1) the non-performing Party gives the other Party prompt written notice describing the particulars of the occurrence of the Force Majeure;

(2) the suspension of performance is of no greater scope and of no longer duration than is required by the Force Majeure;

(3) the non-performing Party proceeds with reasonable diligence to remedy its inability to perform and provides weekly progress reports to the other Party describing actions taken to end the Force Majeure; and

(4) when the non-performing Party is able to resume performance of its obligations under this PPA, that Party shall give the other Party written notice to that effect.

(B) Except as otherwise expressly provided for in this PPA, the existence of a condition or event of Force Majeure shall not relieve the Parties of their obligations under this PPA (including, but not limited to, payment obligations) to the extent that performance of such obligations is not precluded by the condition or event of Force Majeure.

13.3 Limitations on Effect of Force Majeure. In no event will any delay or failure of performance caused by any conditions or events of Force Majeure extend this PPA beyond its stated Term. In the event that any delay or failure of performance caused by conditions or events of Force Majeure continues for an uninterrupted period of two years from its occurrence or inception, as noticed pursuant to Section 13.2(A), the Party not claiming Force Majeure may, at any time following the end of such two year period, terminate this PPA upon written notice to the affected Party, without further obligation by either Party except as to costs and balances incurred prior to the effective date of such termination. The Party not claiming Force Majeure may, but shall not be obligated to, extend such two year period, for such additional time as it, at its sole discretion, deems appropriate, if the affected Party is exercising due diligence in its efforts to cure the conditions or events of Force Majeure.

Article 14 – Representations, Warranties and Covenants

14.1 Seller's Representations, Warranties and Covenants. Seller hereby represents and warrants as follows:

(A) Seller is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Minnesota. Seller is qualified to do business in each other jurisdiction where the failure to so qualify would have a material adverse effect on the business or financial condition of Seller; and Seller has all requisite power and authority to conduct its business, to own its properties, and to execute, deliver, and perform its obligations under this PPA.

(B) The execution, delivery, and performance of its obligations under this PPA by Seller have been duly authorized by all necessary corporate action, and do not and will not:

(1) require any consent or approval by any governing body of Seller, other than that which has been obtained and is in full force and effect (evidence of which shall be delivered to NSP upon its request);

(2) violate any provision of law, rule, regulation, order, writ, judgment, injunction, decree, determination, or award currently in effect having

applicability to Seller or violate any provision in any formation documents of Seller, the violation of which could have a material adverse effect on the ability of Seller to perform its obligations under this PPA;

(3) result in a breach or constitute a default under Seller's formation documents or bylaws, or under any agreement relating to the management or affairs of Seller or any indenture or loan or credit agreement, or any other agreement, lease, or instrument to which Seller is a party or by which Seller or its properties or assets may be bound or affected, the breach or default of which could reasonably be expected to have a material adverse effect on the ability of Seller to perform its obligations under this PPA; or

(4) result in, or require the creation or imposition of any mortgage, deed of trust, pledge, lien, security interest, or other charge or encumbrance of any nature (other than as may be contemplated by this PPA) upon or with respect to any of the assets or properties of Seller now owned or hereafter acquired, the creation or imposition of which could reasonably be expected to have a material adverse effect on the ability of Seller to perform its obligations under this PPA.

(C) This PPA is a valid and binding obligation of Seller [*Trade Secret Data Begins*] [*Trade Secret Data Ends*].

(D) The execution and performance of this PPA will not conflict with or constitute a breach or default under any contract or agreement of any kind to which Seller is a party or any judgment, order, statute, or regulation that is applicable to Seller or the Facility.

(E) To the best knowledge of Seller, all permits, consents, approvals, licenses, authorizations, or other action required by any Governmental Authority to authorize Seller's execution and delivery of this PPA have been duly obtained and are in full force and effect.

(F) Seller shall comply with all applicable local, state, and federal laws, regulations, and ordinances, including but not limited to equal opportunity and affirmative action requirements and all applicable federal, state, and local environmental laws and regulations presently in effect or which may be enacted during the Term of this PPA.

(G) Seller shall disclose to NSP, to the extent that, and as soon as it is known to Seller, any violation of any environmental laws or regulations arising out of the construction or operation of the Facility, or the presence of Environmental Contamination at the Facility or on the Site, alleged to exist by any Governmental Authority having jurisdiction over the Site, or the existence of any past or present enforcement, legal, or regulatory action or proceeding relating to such alleged violation or alleged presence of Environmental Contamination.

14.2 NSP's Representations, Warranties and Covenants. NSP hereby represents and warrants as follows:

(A) NSP is a corporation duly organized, validly existing and in good standing under the laws of the State of Minnesota and is qualified in each other jurisdiction where the failure to so qualify would have a material adverse effect upon the business or financial condition of NSP; and NSP has all requisite power and authority to conduct its business, to own its properties, and to execute, deliver, and perform its obligations under this PPA.

(B) The execution, delivery, and performance of its obligations under this PPA by NSP have been duly authorized by all necessary corporate action, and do not and will not:

(1) require any consent or approval of NSP's Board of Directors, or shareholders, other than that which has been obtained and is in full force and effect (evidence of which shall be delivered to Seller upon its request);

(2) violate any provision of law, rule, regulation, order, writ, judgment, injunction, decree, determination, or award currently in effect having applicability to NSP or violate any provision in any corporate documents of NSP, the violation of which could have a material adverse effect on the ability of NSP to perform its obligations under this PPA;

(3) result in a breach or constitute a default under NSP's corporate charter or bylaws, or under any agreement relating to the management or affairs of NSP, or any indenture or loan or credit agreement, or any other agreement, lease, or instrument to which NSP is a party or by which NSP or its properties or assets may be bound or affected, the breach or default of which could reasonably be expected to have a material adverse effect on the ability of NSP to perform its obligations under this PPA; or

(4) result in, or require the creation or imposition of any mortgage, deed of trust, pledge, lien, security interest, or other charge or encumbrance of any nature (other than as may be contemplated by this PPA) upon or with respect to any of the assets or properties of NSP now owned or hereafter acquired, the creation or imposition of which could reasonably be expected to have a material adverse effect on the ability of NSP to perform its obligations under this PPA.

(C) This PPA is a valid and binding obligation of NSP, enforceable in accordance with its terms.

(D) The execution and performance of this PPA will not conflict with or constitute a breach or default under any contract or agreement of any kind to which NSP is a party or any judgment, order, statute, or regulation that is applicable to NSP.

(E) To the best knowledge of NSP, all approvals, authorizations, consents, or other action required by any Governmental Authority to authorize NSP's execution, delivery and performance of this PPA have been duly obtained and are in full force and effect.

Article 15 - Insurance

15.1 Evidence of Insurance. Seller shall, on or before November 1 of each Commercial Operation Year, provide NSP with two copies of insurance certificates acceptable to NSP evidencing that insurance coverages for the Facility are in compliance with the specifications for insurance coverage set forth in Exhibit F to this PPA. Such certificates shall (a) name NSP as an additional insured (except worker's compensation); (b) provide that NSP shall receive thirty (30) Days prior written notice of non-renewal, cancellation of, or significant modification to any of the corresponding policies (except that such notice shall be ten (10) Days for non-payment of premiums); (c) provide a waiver of any rights of subrogation against NSP, its affiliated entities and their officers, directors, agents, subcontractors, and employees; and (d) indicate that the Commercial General Liability policy has been endorsed as described above. All policies shall be written with insurers that NSP, in its reasonable discretion, deems acceptable (such acceptance will not be unreasonably withheld). All policies shall be written on an occurrence basis, except as provided in Section 15.2. All policies shall contain an endorsement that Seller's policy shall be primary in all instances regardless of like coverages, if any, carried by NSP. Seller's liability under this PPA is not limited to the amount of insurance coverage required herein.

15.2 Term and Modification of Insurance.

(A) All insurance required under this PPA shall cover occurrences during the Term and for a period of two (2) years after the Term. In the event that any insurance as required herein is commercially available only on a "claims-made" basis, such insurance shall provide for a retroactive date not later than the date of this PPA and such insurance shall be maintained by Seller, with a retroactive date not later than the retroactive date required above, for a minimum of five (5) years after the Term.

(B) The Parties shall modify the insurance types and minimum limits specified in Exhibit F from time to time during the Term, in order to maintain reasonable coverage amounts, in the event that Good Utility Practices so require and Seller can obtain the modified insurance on commercially reasonable terms.

(C) If any insurance required to be maintained by Seller hereunder ceases to be reasonably available and commercially feasible in the commercial insurance market, Seller shall provide written notice to NSP, accompanied by a certificate from an independent insurance advisor of recognized national standing, certifying that such insurance is not reasonably available and commercially feasible in the commercial insurance market for electric generating plants of similar type, geographic location and capacity. Upon receipt of such notice, Seller shall use

commercially reasonable efforts to obtain other insurance which would provide comparable protection against the risk to be insured and NSP shall not unreasonably withhold its consent to modify or waive such requirement.

Article 16 - Indemnity

(A) Each Party (the “Indemnifying Party”) agrees to indemnify, defend and hold harmless the other Party (the “Indemnified Party”) from and against all third party claims, demands, losses, liabilities, penalties, and expenses (including reasonable attorneys’ fees) for personal injury or death to persons and damage to the Indemnified Party’s real property and tangible personal property or facilities or the property of any other person or entity to the extent arising out of, resulting from, or caused by an Event of Default by the Indemnifying Party under this PPA, violation of any applicable environmental laws, or by the negligent or tortious acts, errors, or omissions of the Indemnifying Party, its Affiliates, its directors, officers, employees, or agents. The indemnification of third party claims provided under this Section 16(A) is not limited by the limitation on damages set forth in Section 11.6. Nothing in this Article 16 shall enlarge or relieve Seller or NSP of any liability to the other Party for any breach of this PPA. This indemnification obligation shall apply notwithstanding any negligent or intentional acts, errors or omissions of the Indemnified Party, but the Indemnifying Party’s liability to pay damages to the Indemnified Party shall be reduced in proportion to the percentage by which the Indemnified Party’s negligent or intentional acts, errors or omissions caused the damages. Neither Party shall be indemnified for its damages resulting from its sole negligence, intentional acts or willful misconduct. These indemnity provisions shall not be construed to relieve any insurer of its obligation to pay claims consistent with the provisions of a valid insurance policy.

(B) Promptly after receipt by a Party of any claim or notice of the commencement of any action, administrative, or legal proceeding, or investigation as to which the indemnity provided for in this Article may apply, the Indemnified Party shall notify the Indemnifying Party in writing of such fact. The Indemnifying Party shall assume the defense thereof with counsel designated by such Party and satisfactory to the Indemnified Party, provided, however, that if the defendants in any such action include both the Indemnified Party and the Indemnifying Party and the Indemnified Party shall have reasonably concluded that there may be legal defenses available to it which are different from or additional to, or inconsistent with, those available to the Indemnifying Party, the Indemnified Party shall have the right to select and be represented by separate counsel, at the Indemnifying Party’s expense, unless a liability insurer is willing to pay such costs.

(C) If the Indemnifying Party fails to assume the defense of a claim meriting indemnification, the Indemnified Party may at the expense of the Indemnifying Party contest, settle, or pay such claim, provided that settlement or full payment of any such claim may be made only following consent of the Indemnifying Party or, absent such consent, written opinion of the Indemnified Party’s counsel that such claim is meritorious or warrants settlement.

(D) Except as otherwise provided in this Article, in the event that a Party is obligated to indemnify and hold the other Party and its successors and assigns harmless under this Article 16, the amount owing to the Indemnified Party will be the amount of the Indemnified Party's actual loss net of any insurance proceeds received by the Indemnified Party following a reasonable effort by the Indemnified Party to obtain such insurance proceeds.

Article 17 Legal and Regulatory Compliance

(A) Each Party shall at all times comply with all applicable laws, ordinances, rules, and regulations applicable to it, except for any non-compliance which, individually or in the aggregate, could not reasonably be expected to have a material effect on the business or financial condition of the Party or its ability to fulfill its commitments hereunder. As applicable, each Party shall give all required notices, shall procure and maintain all necessary governmental permits, licenses, and inspections necessary for performance of this PPA, and shall pay its respective charges and fees in connection therewith.

(B) Each Party shall deliver or cause to be delivered to the other Party certificates of its officers, accountants, engineers or agents as to matters as may be reasonably requested, and shall make available, upon reasonable request, personnel and records relating to the Facility to the extent that the requesting Party requires the same in order to fulfill any regulatory reporting requirements, or to assist the requesting Party in litigation, including, but not limited to, administrative proceedings before utility regulatory commissions.

(C) NSP hereby assumes the risk that, subsequent to the date of this Agreement and prior to the end of the Term, MAPP revises its requirements for Accreditable Capacity in a manner that precludes some or all of the Contract Capacity of the Facility from qualifying as Accreditable Capacity ("Changed MAPP Requirements").

(D) In the event of Changed MAPP Requirements affecting the Facility, NSP may elect either (i) to accept the Changed MAPP Requirements, without change to this Agreement or to the Facility, with no effect upon NSP's payment and other obligations hereunder, or (ii) to require Seller to make such changes to the Facility and/or operate the Facility in a manner that complies with such Changed MAPP Requirements. In the event that NSP elects the latter, (x) the cost of each capital asset required to comply with such Changed MAPP Requirements ("MAPP Capital Expenditures") shall be paid by NSP, and (y) NSP also shall pay or reimburse Seller for all other incremental expenses incurred by Seller in connection therewith, including any increased operation and maintenance costs, and any effects of decreased availability attributable to such modification. Upon request by NSP, Seller shall provide to NSP such data and other information as may be reasonably necessary to allow NSP to

confirm Seller's calculation of the MAPP Capital Expenditures and other expenses to be paid by NSP pursuant to the foregoing sentence.

Article 18 - Assignment and Other Transfer Restrictions

18.1 No Assignment Without Consent. Except as permitted in this Article 18, neither Party shall assign this PPA or any portion thereof, without the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed; provided (i) at least thirty (30) Days prior notice of any such assignment shall be given to the other Party; (ii) any assignee shall expressly assume the assignor's obligations hereunder and agree to be bound by the terms of this Agreement, unless otherwise agreed to by the other Party, and no assignment, whether or not consented to, shall relieve the assignor of its obligations hereunder in the event the assignee fails to perform, unless the other Party agrees in writing in advance to waive the assignor's continuing obligations pursuant to this PPA; (iii) no such assignment shall impair any security given by Seller hereunder; and (iv) before the PPA is assigned by Seller, the assignee must first obtain such approvals as may be required by all applicable Governmental Authorities.

(A) Seller's consent shall not be required for NSP to assign this PPA to an Affiliate of NSP, provided that NSP provides assurances and executes documents reasonably required by Seller and the Facility Lender regarding NSP's continued liability for all of NSP's obligations under this PPA in the event of any nonperformance on the part of such assignee. In the event that the assignee has or obtains an investment grade unsecured bond rating equivalent to or better than the unsecured bond rating of NSP (but in no event worse than the equivalent of BBB-), then subject to the Facility Lender's approval Seller agrees to relieve NSP from its obligations under this PPA if NSP requests to be so relieved in a written notice provided to Seller.

(B) Seller may assign this Agreement without NSP's consent at any time for collateral purposes to the Facility Lender, and the Facility Lender may assign this Agreement to any successor in connection with any exercise of the rights and remedies of the Facility Lender under the Financing Documents, subject to the obligations of the Facility Lender to cause any successor owner or operator acquiring possession or ownership of the Facility and/or the Site through the exercise of the Facility Lender's rights and remedies under the Financing Documents, as long as no Event of Default by NSP has occurred, (i) to remain subject to the terms of this Agreement, and (ii) to assume all of Seller's obligations hereunder, both prospective and accrued, including the obligation to cure any then-existing defaults (including performance defaults that are susceptible to cure by performance or the payment of money damages), but excluding any obligation to cure any then-existing performance defaults which by their nature are incapable of being cured. Seller shall notify NSP, pursuant to Section 12.1, of any such collateral assignment to the Facility Lender no later than thirty (30) Days after the assignment.

(C) NSP shall relieve Seller from all of its obligations under this Agreement, prospective and accrued, upon request by Seller, in the event of any permitted assignment of this Agreement by Seller to any Person with an Investment Grade Credit Rating who assumes all obligations of Seller hereunder and agrees to be bound by the terms of this Agreement.

18.2 Accommodation of Facility Lender. To facilitate Seller's obtaining of financing to construct and operate the Facility, NSP shall make reasonable efforts to accommodate the Facility Lender's requests to vary the terms and conditions of this Agreement to protect the Facility Lender's interests and to provide such consents to assignments, certifications, representations, information, opinions, and/or other documents as may be reasonably requested by Seller or the Facility Lender in connection with the financing of the Facility; provided, that in responding to any such request, NSP shall have no obligation to provide any consent, or enter into any agreement, that materially adversely affects any of NSP's rights, benefits, risks and/or obligations under this Agreement. Seller shall reimburse, or shall cause the Facility Lender to reimburse, NSP for the incremental direct expenses (including, without limitation, the reasonable fees and expenses of counsel) incurred by NSP in the preparation, negotiation, execution and/or delivery of any documents requested by Seller or the Facility Lender, and provided by NSP, pursuant to this Section 18.2.

18.3 Change of Control. Any Change of Control of Seller, whether voluntary or by operation of law, shall require the prior written consent of NSP, which shall not be unreasonably withheld. Without limiting NSP's obligation to consider reasonably any other circumstances, NSP shall be required to give its consent to any Change of Control of Seller if the ultimate parent entity of Seller following the Change of Control, together with its Affiliates, enjoys creditworthiness (as measured by its Credit Rating or as otherwise reasonably determined by NSP) not worse than Seller and/or its ultimate parent entity prior to the Change of Control. A "Change of Control" shall be deemed to occur if any one of the following events occurs with respect to Seller [*Trade Secret Data Begins*] [*Trade Secret Data Ends*]: (i) a transfer of a majority of the membership interests in Seller to a Person that is not an Affiliate of Seller; or (ii) any consolidation or merger of Seller in which Seller is not the continuing or surviving entity, other than a consolidation or merger of Seller in which the holders of Seller's membership interests immediately before the consolidation or merger shall, upon consummation of the consolidation or merger, own at least fifty percent (50%) of the equity of the surviving entity.

18.4 Notice of Facility Lender Action. Within ten (10) Days following Seller's receipt of each written notice under the Financing Documents from the Facility Lender of a default that would affect Seller's performance under this Agreement, or of Facility Lender's intent to foreclose on the Facility or exercise any other remedy that would affect Seller's performance under this Agreement, Seller shall deliver a copy of such notice to NSP.

18.5 Transfer Without Consent is Null and Void. Any sale, transfer, or assignment of any interest in the Facility or in this PPA made without fulfilling the requirements of the PPA shall be null and void.

18.6 Subcontracting. Seller may subcontract its duties or obligations under this PPA without the prior written consent of NSP, provided, that no such subcontract shall relieve Seller of any of its duties or obligations hereunder.

Article 19 - Miscellaneous

19.1 Waiver. Subject to the provisions of Section 12.9(B), the failure of either Party to enforce or insist upon compliance with or strict performance of any of the terms or conditions of this PPA, or to take advantage of any of its rights thereunder, shall not constitute a waiver or relinquishment of any such terms, conditions, or rights, but the same shall be and remain at all times in full force and effect.

19.2 Taxes.

(A) Seller shall be solely responsible for payment of (i) any and all present or future taxes and other impositions of Governmental Authorities relating to the construction, ownership or leasing, operation or maintenance of the Facility, or any components or appurtenances thereof, including taxes and impositions that vary based upon the amount of power produced, the amount and/or nature of fuel consumed, and/or the amount and/or nature of wastes produced by the Facility, and (ii) all *ad valorem* taxes relating to the Facility. NSP shall reimburse Seller for all payments made relating to the Environmental Attributes of the Facility. Seller shall include all such payments in its invoices for fuel under Section 8.3 of this Agreement.

(B) During the Term of this Agreement, any and all Environmental Attributes associated with the Contract Capacity and the Contract Energy shall accrue to the benefit of NSP.

(C) The Parties shall cooperate to minimize tax exposure. All electric energy delivered by Seller to NSP hereunder shall be sales for resale, with NSP reselling such electric energy. NSP shall obtain and provide Seller with any certificates required by any Governmental Authority, or otherwise reasonably requested by Seller to evidence that the deliveries of electric energy hereunder are sales for resale.

19.3 Fines and Penalties.

(A) Each Party shall pay when due all fees, fines, penalties or costs incurred by itself or its agents, employees or contractors for noncompliance by its employees, or subcontractors with any provision of this PPA, or any contractual obligation, permit or requirements of law except for such fines, penalties and costs that are being actively contested in good faith and with due diligence by the applicable Party

and for which adequate financial reserves have been set aside to pay such fines, penalties or costs in the event of an adverse determination.

(B) If fees, fines, penalties, or costs are claimed or assessed against a Party (the “Aggrieved Party”) by any Governmental Authority due to noncompliance by the other Party (the “Offending Party”) with this PPA, any requirements of law, or any permit or contractual obligation, the Offending Party shall indemnify and hold the Aggrieved Party harmless against any and all losses, liabilities, damages, and claims suffered or incurred by the Aggrieved Party, including claims for indemnity or contribution made by third parties against the Aggrieved Party, except to the extent the Aggrieved Party recovers any such losses, liabilities or damages through other provisions of this PPA.

19.4 Rate Changes. The terms and conditions and the rates for service specified in this Agreement shall remain in effect for the term of the transaction described herein. Absent the Parties’ written agreement, this Agreement shall not be subject to change by application of either Party pursuant to Section 205 or 206 of the Federal Power Act. Absent the agreement of all parties to the proposed change, the standard of review for changes to this Agreement whether proposed by a Party, a non-party or the Federal Energy Regulatory Commission acting sua sponte shall be the “public interest” standard of review set forth in *United Gas Pipe Line v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956) and *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956) (the “Mobile-Sierra doctrine”).

19.5 Disclaimer of Third Party Beneficiary Rights. In executing this PPA, NSP does not, nor should it be construed to, extend its credit or financial support for the benefit of any third parties lending money to or having other transactions with Seller. Nothing in this PPA shall be construed to create any duty to, or standard of care with reference to, or any liability to, any person not a party to this PPA.

19.6 Relationship of the Parties.

(A) This PPA shall not be interpreted to create an association, joint venture, or partnership between the Parties nor to impose any partnership obligation or liability upon either Party. Neither Party shall have any right, power, or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as an agent or representative of, the other Party.

(B) Seller shall be solely liable for the payment of all wages, taxes, and other costs related to the employment of persons to perform such services, including all federal, state, and local income, social security, payroll, and employment taxes and statutorily mandated workers’ compensation coverage. None of the persons employed by Seller shall be considered employees of NSP for any purpose; nor shall Seller represent to any person that he or she is or shall become an NSP employee.

19.7 Equal Employment Opportunity Compliance Certification. Each Party acknowledges that as a government contractor each Party is subject to various federal laws, executive orders, and regulations regarding equal employment opportunity and affirmative action. All applicable equal opportunity and affirmative action clauses shall be deemed to be incorporated herein as required by federal laws, executive orders, and regulations, including but not limited to 41 C.F.R. §60-1.4(a)(1-7).

19.8 Survival of Obligations. Cancellation, expiration, or earlier termination of this PPA shall not relieve the Parties of obligations that by their nature should survive such cancellation, expiration, or termination, prior to the term of the applicable statute of limitations, including without limitation warranties, remedies, or indemnities which obligations shall survive for the period of the applicable statute(s) of limitation.

19.9 Severability. In the event any of the terms, covenants, or conditions of this PPA, its Exhibits, or the application of any such terms, covenants, or conditions, shall be held invalid, illegal, or unenforceable by any court or administrative body having jurisdiction, all other terms, covenants, and conditions of the PPA and their application not adversely affected thereby shall remain in force and effect; provided, however, that the Parties shall negotiate in good faith to attempt to implement an equitable adjustment in the provisions of this PPA with a view toward effecting the purposes of this PPA by replacing the provision that is held invalid, illegal, or unenforceable with a valid provision the economic effect of which comes as close as possible to that of the provision that has been found to be invalid, illegal or unenforceable.

19.10 Complete Agreement; Amendments. The terms and provisions contained in this PPA constitute the entire agreement between NSP and Seller with respect to the Facility and shall supersede all previous communications, representations, or agreements, either verbal or written, between NSP and Seller with respect to the sale of electric capacity and energy from the Facility. Except as otherwise explicitly provided in this PPA, this PPA may only be amended, changed, modified, or altered, if such amendment, change, modification, or alteration is in writing and signed by both Parties hereto, provided that the Exhibits attached hereto may be changed according to the provisions of Section 12.8.

19.11 Binding Effect. This PPA, as it may be amended from time to time pursuant to this Article, shall be binding upon and inure to the benefit of the Parties hereto and their respective successors-in-interest, legal representatives, and assigns permitted hereunder.

19.12 Headings. Captions and headings used in this PPA are for ease of reference only and do not constitute a part of this PPA.

19.13 Confidentiality and Media Contacts.

(A) Except as permitted in this Agreement, neither Party shall disclose any Confidential Information of the other Party to any third parties (other than to the

disclosing Party's employees, attorneys, accountants, lenders, credit rating agencies which issue a rating with respect to a Party and other representatives who have a need-to-know in connection with this transaction, and who are under a corresponding duty of confidence), without the other Party's prior written approval. The obligation to maintain Confidential Information in confidence shall continue through the end of the Term of this Agreement and for a period of two (2) years after the expiration or earlier termination hereof.

(B) Prior to releasing publicly any information regarding the other Party or this Agreement, the Facility, or any other aspect of the relationship between the Parties (other than a general description of the Facility and other than in accordance with paragraph (C) below), each Party shall consult and coordinate the release of such information with the other Party. The Parties shall develop a mutually agreed upon joint press release to be issued within one week of approval of this PPA by the MPUC, describing the location, size, type and timing of the Facility, the long-term nature of this Agreement, and other relevant factual information with respect to this Agreement.

(C) During the term of this Agreement, in the event either Party is contacted by the media concerning this Agreement or the Facility, the contacted Party shall inform the other Party of the existence of the inquiry, any questions asked, and the substance of any information provided to the media. Subject to the confidentiality provisions contained herein, nothing in this Section 19.13(C) shall restrict the contacted Party from responding to any such media contact.

(D) Notwithstanding anything to the contrary in this Section 19.13, either Party may disclose Confidential Information of the other Party (i) as the disclosing Party is legally required to furnish by subpoena, by other legal process or by applicable law, including disclosure required by a Governmental Authority or the rules of any securities exchange, and/or (ii) to the MPUC and/or the Minnesota Department of Commerce, upon request, provided that Confidential Information is designated as trade secret. In connection with any disclosure subject to this Section 19.13(D), the disclosing Party shall notify the other Party of the nature and recipient of the disclosure, prior to or promptly following the disclosure.

(E) Notwithstanding anything to the contrary in this Section 19.13, either Party may disclose Confidential Information of the other Party to securities analysts and potential lenders. In connection with any disclosure subject to this Section 19.13(E), the disclosing Party shall use reasonable efforts (i) to notify and give the non-disclosing Party a reasonable opportunity to review and comment upon such disclosure, and (ii) to seek confidential treatment of such Confidential Information from the recipient.

(F) Seller shall not use NSP's name, logos or other marks without the prior written consent of NSP, which consent shall be within NSP's sole discretion.

19.14 Counterparts. This PPA may be executed in any number of counterparts, and each executed counterpart shall have the same force and effect as an original instrument.

19.15 Governing Law. The interpretation and performance of this PPA and each of its provisions shall be governed and construed in accordance with the laws of the State of Minnesota. The Parties hereby submit to the exclusive jurisdiction of the courts of the State of Minnesota, and venue is hereby stipulated as Minneapolis, Minnesota.

[remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the Parties have executed this PPA.

**Seller:
MEP-I LLC**

By: _____
Thomas A. Micheletti
Co-President and Co-CEO

NSP:

Northern States Power Company

By: _____

EXHIBIT A

**MESABA ENERGY PROJECT REQUIREMENTS AND COMPLIANCE
STANDARDS FOR LOAD CHANGE**

[Trade Secret Data Begins]

[Trade Secret Data Ends]

EXHIBIT B

CONSTRUCTION MILESTONES

M = Date Material Permits are Final

Construction
Milestone Date

Results Expected

[Trade Secret Data
Begins]

Seller holds an executed EPC agreement

Seller holds an executed Large Generator Interconnect Agreement for the Facility

Seller holds executed purchase orders/contracts for the delivery of the Facility's major components, including step-up transformers and turbines.

Seller has started pouring the foundations for the gasifiers.

A combustion turbine and the steam turbine have been delivered to, and set on the foundation at, the Site; and the step-up transformer has been delivered to, and set on its foundation at, the Site.

[Trade Secret Data
Ends]

Start-up testing of the Facility commences.

October 31, 2011

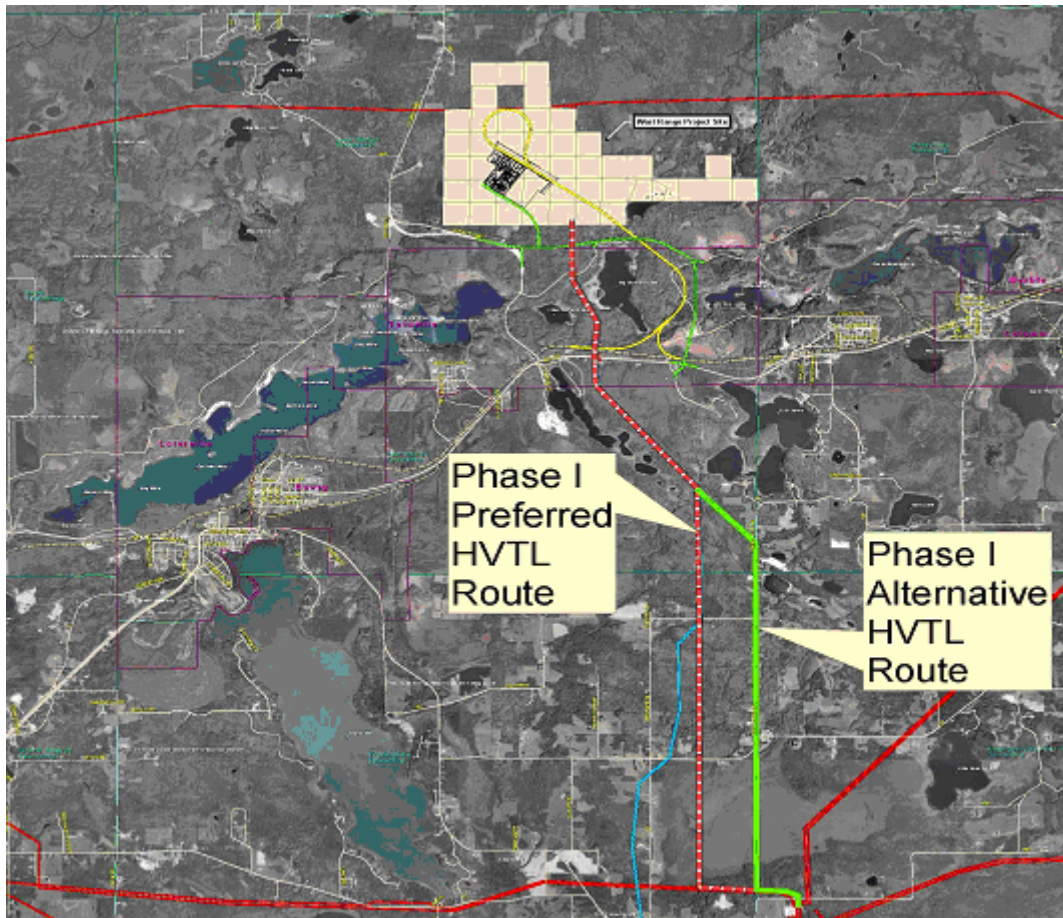
Commercial Operation Date is achieved. (**Commercial Operation Milestone**)

**EXHIBIT C
FACILITY DESCRIPTION AND SITE MAPS**

1. Site Location

The Mesaba Energy Project is located approximately 12 miles west of Grand Rapids Minnesota and two (2) miles north of the City of Taconite in Itasca County. The site includes approximately 1,260 acres. The Project Site is currently undeveloped, unoccupied and has no direct access. An existing transmission corridor runs through the site and existing rail access is in close proximity to the south of the site.

2. General Location



3. General

Mesaba Energy Project will utilize state-of-the-art advanced Integrated Gasification Combined Cycle (IGCC) technology. Mesaba Energy Project Unit 1 will nominally produce 603 MW (net) capacity of base load power, using two trains of gasification equipment. The two trains, together with a third, spare train for added reliability, will produce synthesis gas (syngas) from solid fuel and supply two combustion turbine/generator sets to produce electricity. In turn, the waste heat from the combustion turbines is directed to heat recovery steam generators in a combined cycle configuration that uses a single steam turbine to generate additional electricity.

4. Major Equipment

Major equipment for the station will include solid fuel handling, gasifiers, syngas cleanup, flare, combustion turbine generators, steam turbine generator, step-up transformers, output breakers, internal electrical infrastructure consisting of switchgear, transformers, motor control centers and protection associated equipment, heat recovery steam generators, and evaporative cooling towers.

5. Support Buildings

The buildings include the control room, administration building, warehouse/maintenance shop, gas turbine and steam turbine buildings, weather enclosures for the air separation unit compressors, coal slurry preparation, water treatment/lab, railcar thaw shed, switchyard control room, and several power distribution centers. During normal operations, only the control room, administration building, warehouse/maintenance building, and water treatment/lab will be occupied. See the Facility plot plan for a general layout of the site.

6. Facility Plot Plan

[Trade Secret Data Begins]

[Trade Secret Data Ends]

7. Water

Water for the Mesaba Energy Project will come from nearby abandon mining pits. For Mesaba Energy Project Unit 1, the water supply system consists of two pumping stations and associated pipelines. The Canisteo Pit will act as the primary source of water which is conveyed to the plant site from a pump station to be located on the Canisteo Pit. A supplementary water source for the plant is from the Hill-Annex Pit which

is pumped to the Canisteo Pit and onto the Facility via the Canisteo Pit pump station.

8. Electrical Interconnection

The electrical output of Mesaba Energy Project Unit 1 will be connected to the Minnesota Power Blackberry Substation located approximately 10 miles to the southeast of the plant site. Generator outlet facilities will be constructed at 230kV for interconnection to the Blackberry Substation without any need for voltage transformation, and will comply with the Large Generator Interconnect Agreement requirements.

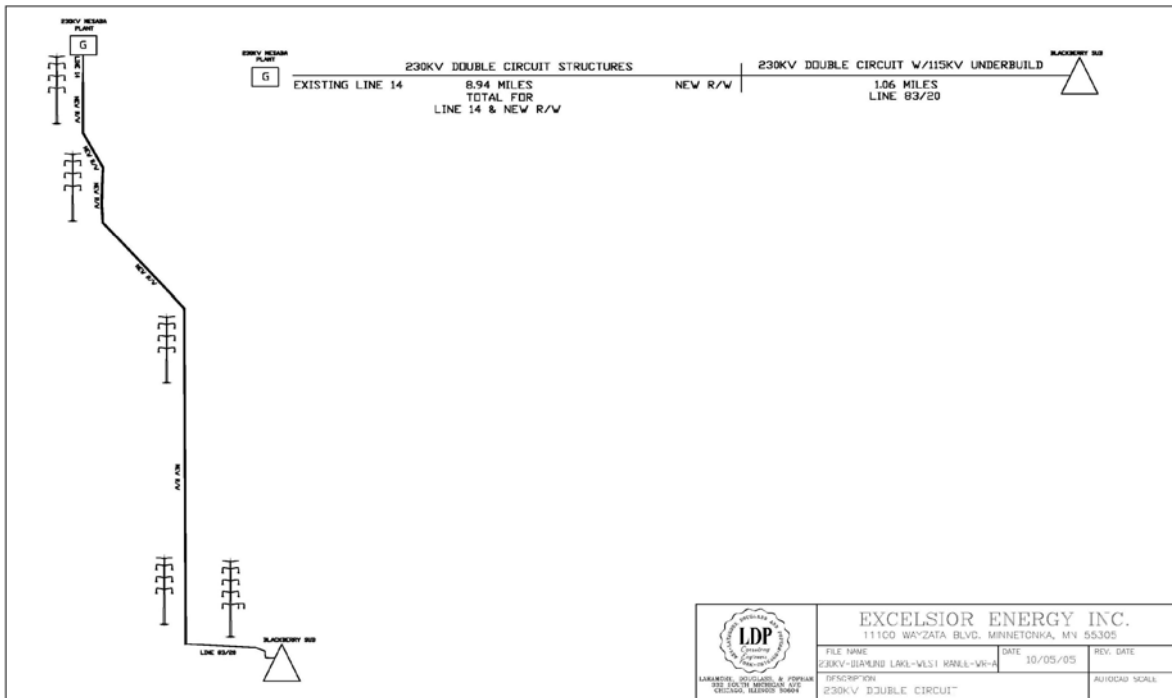


EXHIBIT D

**SELLER’S REQUIRED GOVERNMENTAL AUTHORITY PERMITS,
CONSENTS, APPROVALS, LICENSES AND AUTHORIZATIONS TO BE
OBTAINED**

Material Permits:

Jurisdiction	Agency	Type of Approval	Authority	Description
Federal	Army Corps of Engineers	Rivers & Harbor Act permit	33 CFR 322	Permits for structures or work in or affecting navigable waters of the United States
Federal	Army Corps of Engineers	Clean Water Act Section 404 permit	33 CFR 323	Permit governing the discharge of dredged or fill material to waters of the United States
State of Minnesota	Department of Natural Resources	Water Appropriation Permit - Long Term (Exceeding two years)	Minnesota Rules 6115.0600 - 6115.0810 ; 6115.0010	Permit required to appropriate or use waters of the state (ground or surface)
State of Minnesota	Environmental Quality Board	Site Permit for Large Electric Generating Power Plant	Minnesota Rules Chapter 4400	NEPA-type preconstruction permit requiring preparation of Environmental Impact Statement and contested case hearing
State of Minnesota	Environmental Quality Board	Route Permit for High Voltage Transmission Lines	Minnesota Rules Chapter 4400	NEPA-type preconstruction permit potentially requiring preparation of Environmental Impact Statement and contested case hearing
State of Minnesota	Environmental Quality Board	Route Permit For Natural Gas Pipeline	Minnesota Rules Chapter 4415.0035	NEPA-type preconstruction permit requiring preparation of Environmental Impact Statement and contested case hearing
State of Minnesota	Pollution Control Agency	NPDES/SDS Permit	Minnesota Rules 7001.0030	Permit required for discharging wastewater to waters of United States (NPDES)
State of Minnesota	Pollution Control Agency	Part 70 Permit	Minnesota Rules 7007.0200 and 7007.0250	Construction of a major new source meeting specifications in rules must receive an air emissions permit prior to commencement of construction
State of Minnesota	Public Utilities Commission	Certificate of Need: Generation Facility	Minnesota Rules Chapter 4410	Exempt based on Minn. Stat. 216B.1694 Subd.2 (1)
State of Minnesota	Public Utilities Commission	Certificate of Need: Transmission Infrastructure	Minnesota Rules Chapter 4410	Exempt based on Minn. Stat. 216B.1694 Subd.2 (1)
Local	City of Hoyt Lakes	Zoning Variance	City Zoning Law	"LTV site must be rezoned from current ""Mining"" designation to ""Industrial"""

EXHIBIT E
NOTICE ADDRESSES

NSP	Seller
<p>Notices: Paul J. Bonavia Vice President Northern States Power Company 1099 18th Street, 30th Floor Denver, CO 80202 Phone: (303) 308-6190 Fax: (303) 308-7681</p> <p>Karen T. Hyde Director, Purchased Power Northern States Power Company 1099 18th Street, 30th Floor Denver, CO 80202 Phone: (303) 308-6113 Fax: (303) 308-6141</p>	<p>Notices: Thomas A. Micheletti Co-President and Co-CEO Excelsior Energy Inc. 11100 Wayzata Boulevard, Suite 305 Minnetonka, Minnesota 55305 Phone: (952) 847-2362 Fax: (952) 847-2373</p> <p>Mike Wadley Vice President Excelsior Energy Inc. 11100 Wayzata Boulevard, Suite 305 Minnetonka, Minnesota 55305 Phone: (952) 847-2358 Fax: (952) 847-2373</p>
<p>Operating Committee Representative: Karen T. Hyde Director, Purchased Power Northern States Power Company 1099 18th Street, 30th Floor Denver, CO 80202 Phone: (303) 308-6113 Fax: (303) 308-6141</p> <p>Alternate:</p> <p>Purchased Power Analyst Northern States Power Company 1099 18th Street, 30th Floor Denver, CO 80202 Phone: Fax:</p>	<p>Operating Committee Representative: Mike Wadley Vice President Excelsior Energy Inc. 11100 Wayzata Boulevard, Suite 305 Minnetonka, Minnesota 55305 Phone: (952) 847-2358 Fax: (952) 847-2373</p> <p>Alternate:</p>

EXHIBIT F
INSURANCE COVERAGE

SPECIFICATION OF INSURANCE COVERAGE

<u>Type of Insurance</u>	<u>Minimum Limits of Coverage</u>
Commercial General Liability (CGL) and commercial umbrella	\$11,000,000 combined single limit each occurrence and the aggregate, where applicable. If CGL insurance contains a general aggregate limit, it shall apply separately to the Facility.

CGL insurance shall be written on ISO occurrence form CG 00 01 01 96 (or a substitute form providing equivalent coverage) and shall cover liability arising from premises, operations, independent contractors, products/completed operations, contracts, property damage, personal injury and advertising injury, and liability assumed under an insured contract (including the tort liability of another assumed in a business contract), all with limits as specified above. CGL insurance shall include ISO endorsement CG 24 17 (or an equivalent endorsement) which modifies the definition of "Insured contract" to eliminate the exclusion of easement or license agreements in connection with construction or demolition operations on or within 50 feet of a railroad. There shall be no endorsement or modification of the CGL insurance limiting the scope of coverage for liability arising from explosion, collapse, or underground property damage.

NSP shall be included as an insured under the CGL policy, using ISO additional insured endorsement CG 20 10 (or a substitute providing equivalent coverage), and under the commercial umbrella insurance. The commercial umbrella insurance shall provide coverage over the top of the CGL insurance, the Business Automobile Liability insurance, and the Employers Liability insurance.

The CGL and commercial umbrella insurance to be obtained by or on behalf of Seller shall be endorsed as follows:

Such insurance as afforded by this policy for the benefit of NSP shall be primary as respects any claims, losses, damages, expenses, or liabilities arising out of this Agreement, and insured hereunder, and any insurance carried by NSP shall be excess of and noncontributing with insurance afforded by this policy.

Business Automobile Liability	\$1,000,000 combined single limit (each accident), including all Owned, Non-Owned, Hired and Leased Autos
-------------------------------	---

Business Automobile Liability insurance shall be written on ISO form CA 00 01, CA 00 05, CA 00 12, CA 00 20, or a substitute form providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage equivalent to that provided in the 1990 and later editions of CA 00 01.

Workers Compensation	Statutory Requirements. Seller may comply with these requirements through the use of a qualified self-insurance plan.
----------------------	---

Type of Insurance

Minimum Limits of Coverage

Employers Liability

\$1,000,000 each accident for bodily injury by accident,
or
\$1,000,000 each employee for bodily injury by disease.

Builder's Risk

Replacement value of the Facility.

Builder's Risk insurance, or an installation floater, shall include coverage for earthquake and flood, collapse, faulty workmanship, materials and design, testing of machinery or equipment, freezing or changes in temperature, debris removal, and partial occupancy.

All-Risk Property insurance covering physical loss or damage to the Facility

Full replacement value of the Facility. A deductible may be carried which deductible shall be the absolute responsibility of Seller.

All-Risk Property insurance shall include: (i) coverage for fire, flood, wind and storm, tornado and earthquake with respect to facilities similar in construction, location and occupancy to the Facility, with sublimits of no less than \$10,000,000 each for flood and earthquake; and (ii) Boiler and Machinery insurance covering all objects customarily subject to such insurance, including boilers and turbines, in an amount equal to their full replacement value.

Business Interruption insurance

Amount required to cover Seller's continuing or increased expenses, resulting from full interruption, for a period of twelve (12) calendar months

Business Interruption insurance shall cover loss of revenues, and/or the increased expense to resume operations attributable to the Facility by reason of total or partial suspension or delay of, or interruption in, the operation of the Facility as a result of an insured peril covered under Property insurance as set forth above, to the extent available on commercially reasonable terms as determined by NSP, subject to a reasonable deductible which shall be the responsibility of Seller. Notwithstanding any other provision of this Agreement, Seller shall not be required to have Business Interruption insurance until the Commercial Operation Date.

[*Trade Secret Data Begins*]

EXHIBIT G

[Trade Secret Data Ends]

Schedule I

[Trade Secret Data Begins]

[Trade Secret Data Ends]