

Extension of Power Supply Agreements

This Extension Agreement (the "*Agreement*") is made as of September 30, 2007 (the "*Effective Date*") between Electric City Power, Inc., a Montana nonprofit corporation ("*Electric City*") and electricity supplier licensed by the Montana Public Service Commission, and Montana Refining Company ("*Customer*"), each a "*Party*" and, collectively, the "*Parties*" to this Agreement.

RECITALS

The circumstances and facts under which this Agreement is made and executed are as follows:

1. The City of Great Falls, Montana (the "*City*") authorized the organization of Electric City as an instrumentality of the City pursuant to the provisions of the Montana Nonprofit Corporation Act, Title 31, Chapter 2, Montana Code Annotated, as amended, to own, construct, finance, operate and maintain the properties, facilities, rights and interests comprising the City's municipal electric utility established pursuant to Section 5.20.030, OCCGF, and to provide reliable electricity supply services to consumers within and outside of the boundaries of the City at stable, cost-based rates, all for and on behalf of the City.
2. Electric City has previously been licensed by the Montana Public Service Commission as an "electricity supplier" under the Electric Utility Restructuring and Customer Choice Act, Title 69, Chapter 8, Montana Code Annotated, as amended (the "*Customer Choice Act*"), with the authority to provide electricity supply services to certain classes of electricity consumers within the State.
3. Effective October 1, 2007, Montana House Bill 25 prospectively repeals the primary elements of the Customer Choice Act but preserves electricity supply contracts that are in effect prior to October 1, 2007 and requires that licensed electricity suppliers under the Customer Choice Act provide, and their customers be afforded, fair and open long-term access to transmission and distribution facilities, as determined by the Montana Public Service Commission.
4. Electric City, through the City, is a member of Southern Montana Electric Generation & Transmission Cooperative, Inc., ("*SME*"), a rural electric cooperative organized and doing business under the provisions of Title 35, Chapter 18 of the Montana Code Annotated.
5. Through the City, Electric City purchases electricity under a full requirements contract with SME, which in turn maintains certain portfolio power supply resources in order to provide reliable, cost-based electricity service to the City and its other member customers.

6. Among other power supply resources, SME is undertaking the development of a 250 megawatt coal-fired electric generating facility located in Cascade County, Montana near the City of Great Falls known as the Highwood Generating Station ("*HGS*"), presently anticipated to begin commercial operation in 2012, which will be operated by SME and which is anticipated to become a major component of SME's portfolio power supply resources.

7. Electric City presently intends to acquire a 15% ownership interest in HGS and, in connection with the acquisition and financing of such ownership interest, desires to enter into long-term power supply agreements with retail customers in order sell the electricity from its ownership interest at cost-based rates that will provide Electric City with revenues sufficient to enable it to pay the costs of operation, maintenance and debt service costs of its ownership interest in HGS as well as to otherwise acquire and provide low-cost power supply resources to Electric City's customers.

8. Customer operates one or more facilities located in Montana (collectively referred to as the "*Facility*").

9. Customer and Electric City have previously entered one or more power supply agreements for electricity service through June 30, 2011 (the "*Existing Contracts*").

10. The Parties desire to extend the term of the Existing Contracts as provided more fully herein.

NOW THEREFORE, in consideration of the foregoing, the mutual promises of the parties, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

AGREEMENT

1. Term. This Agreement shall be in full force and effect from the Effective Date for the period that is sixteen (16) years after the Effective Date (the "*Initial Term*"). The Initial Term will be automatically extended for two year periods (the "*Extension Terms*") unless either Party provides written notice of termination of this Agreement at least one year prior to the expiration of the Initial Term or the Extension Term then in effect.
2. Purchase and Sale. During the Initial Term of this Agreement, and any Extension Term, Electric City hereby agrees to sell and deliver or make available, or cause to be delivered or made available, and Customer agrees to purchase and receive, or cause to be purchased and received, the amount of Electricity as set forth in paragraph 3. In consideration thereof, Customer shall pay Electric City the charges set forth in paragraph 4 of this Agreement.

3. Full Requirements. The quantity of electricity that Customer shall purchase and receive from Electric City under this Agreement shall be the full amount of electricity that is required for all of Customer's operations at its Facility during the Initial Term and any Extension Term of this Agreement; provided that Customer's requirements shall not include additional loads related to material future expansions of Customer's Facility. This Section shall not be deemed to prohibit Customer from utilizing Electricity generated by a standby generation plant, owned and/or operated by Customer, to the extent the use of such electricity may be required for short-term emergency or reliability purposes.
4. Rates. For all electricity made available under this Agreement in any billing month, Electric City agrees to charge and accept from Customer, and Customer agrees to pay Electric City the amount specified in the Existing Contracts for the periods of time provided therein and thereafter, an amount equal to Customer's share of Electric City's actual costs plus an administrative charge not to exceed five percent of the actual costs.
5. Further Negotiations. The Parties hereby agree to negotiate in good faith to reach agreement as to additional terms and conditions relating to this Agreement, including the idea of limiting Electric City's future rates to an indexed price cap.
6. Existing Agreements. Except as otherwise expressly provided herein, the Existing Agreements shall remain in full force and effect.

IN WITNESS WHEREOF the Parties hereto have executed this Agreement this 30th day of September, 2007.

ELECTRIC CITY POWER, INC.

By: Coleen Balzarini
Coleen Balzarini
Its: Executive Director
Date: 9/30/07

MONTANA REFINING COMPANY

By: Dana Seal
Its:
Date: 9/30/07

SCHEDULE A

Montana Refining Company, Inc.
Customer Identification No. 613065

METER NO.

LOCATION

DD80878862	N END OF 10TH ST NE BRIDG
DD34915052	10TH ST NE
DS15191026	10TH ST NE
DS14451129	10TH ST NE
EA95213460	23RD ST NE
XEL0177	23RD ST NE
ED30091103	10TH ST NE
ES32213951	10TH ST NE
XEL0194	10TH ST NE
EW55217542	6TH ST NE & 17TH AVE
XEL0195	6TH ST NE & 17TH AVE
DA04974711	SMELTER AVE
EW68300593	10TH ST NE