

EL 98-001

12/17

EL 98-001

DOCKET NO.

In the Matter of

IN THE MATTER OF THE
APPLICATION OF BLACK HILLS
CORPORATION FOR AUTHORITY TO
ISSUE A 3-FOR-2 STOCK SPLIT IN THE
FORM OF A 1-FOR-2 STOCK DIVIDEND

Public Utilities Commission of the State of South Dakota

DATE

MEMORANDA

DATE	MEMORANDA
1/30 98	Filed and Recited;
2/13 98	Order approving 3-for-2 common stock split in the form of a 1-for-2 stock dividend;
2/13 98	Order approving 3-for-2 common stock split in the form of a 1-for-2 stock dividend;
2/13 98	Order Class.

BLACK HILLS CORPORATION

P.O. BOX 1400 625 NINTH STREET
RAPID CITY, SOUTH DAKOTA 57709

EL98-001

RODAN R. BASHAM
VICE PRESIDENT - FINANCE
SECRETARY AND TREASURER

TELEPHONE
(605) 348-1700

FEDERAL EXPRESS

January 29, 1998

RECEIVED

FEB 02 1998

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

Mr. William Bullard, Jr.
Executive Secretary
South Dakota Public Utilities Commission
State Capitol Building
Pierre, South Dakota 57501

FAX Received JAN 30 1998

RE: Black Hills Corporation
Application for Authority to Issue a 3-for-2 stock split in the Form of a 1-for-2 Stock Dividend.

Dear Mr. Bullard

Enclosed is an original and six copies of the Application of the Company whereby the Commission is requested to approve a 3-for-2 split of the Common Stock of the Company to be effected in the form of a stock dividend and that the Commission's Order also extend to the number of common shares previously approved for issuance and remaining to be issued pursuant to the Company's Dividend Reinvestment Plan, Employees' Stock Purchase Plan, and 1996 Stock Option Plan.

The shares of additional Common Stock proposed to be issued to implement the 3-for-2 split of the Common Stock will not involve the receipt of any proceeds by the Company nor will it change the Company's capital structure. The Company is proposing a 3-for-2 split to broaden the Company's shareholder base. It is believed the split will create a more desirable trading price range and will increase the liquidity and marketability of the stock.

Enclosed is a copy of a proposed Commission's Order for approval to issue a Common Stock Dividend effective March 10, 1998.

If additional information is needed, please contact John Nooney, General Counsel for the Company, at (605)-348-7516. It would be most helpful if the Commission could enter its Order prior to February 9, 1998. Please provide four certified copies of the Commission's Order in this matter.

Very truly yours,

RRB ljj



Enclosures

cc: John k. Nooney, Esq
Morrill Thomas Nooney & Braun, LLP

BEFORE THE PUBLIC UTILITIES COMMISSION
IN THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE APPLICATION)
 OF BLACK HILLS CORPORATION)
 FOR AUTHORITY TO ISSUE A 3-FOR-2)
 STOCK SPLIT IN THE FORM OF A 1-FOR-2)
 STOCK DIVIDEND)

FAX Received JAN 30 1998

DOCKET NO.

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SOUTH DAKOTA PUBLIC
UTILITIES COMMISSIONAPPLICATION

Black Hills Corporation ("Applicant"), which operates its electric utility business under the assumed name of Black Hills Power and Light Company, does hereby make application to the South Dakota Public Utilities Commission ("Commission") as follows:

1 Applicant is a corporation organized under the laws of the State of South Dakota on August 27, 1941, having its office and principal place of business at 625 Ninth Street, Rapid City, South Dakota, 57701. Applicant is domesticated as a foreign corporation in the States of Wyoming, Montana, and Nebraska and is duly licensed and qualified to transact its business under the laws of those States.

2 Applicant is a public utility, pursuant to the provisions of the SDCL Section 49-34A-1, et seq., and is engaged, among other things, in the generation, transmission, distribution and sale of electric power and energy in a territory comprising twenty incorporated communities, various unincorporated communities, and rural areas located in western South Dakota, eastern Wyoming, and southeastern Montana, through an interconnected transmission network.

3 The name, title, and address of the person to whom correspondence in regard to this Application shall be addressed is as follows:

Roxann R. Basham, Vice President-Finance
 Black Hills Corporation
 P O Box 1400
 Rapid City, South Dakota 57709

The Commission is respectfully requested to send copies of all notices and communications to Applicant's attorney as follows:

John K. Nooney, Esq.
Morrill Thomas Nooney & Braun, LLP
P O Box 8108
Rapid City, South Dakota 57709

4. Applicant, in this Application, is requesting that the Commission approve a 3-for-2 split of the Common Stock of Applicant to be effected in the form of a stock dividend as covered in Sections 5 and 6 of this Application and that such Order of the Commission also extend to the number of common shares previously approved for issuance and remaining to be issued pursuant to the Commission's Orders EL93-020 dated July 15, 1993 (Dividend Reinvestment Plan), EL95-023 dated September 22, 1995 (Employees' Stock Purchase Plan), and EL96-023 dated October 17, 1996 (1996 Stock Option Plan) as covered in Sections 7, 8 and 9 of this Application.

5. Applicant's Board of Directors, at a meeting of the Board on January 29, 1998, declared, subject to the approval of this Commission and the Public Service Commission of Wyoming, a 3-for-2 split of the Common Stock to be effected in the form of a stock dividend to be distributed March 10, 1998, to shareholders of record at the close of business on February 13, 1998. Fractional shares will not be issued for the last odd numbered share of any shareholder holding a number of shares not equally divisible by two. In lieu thereof, a cash dividend will be paid to those holding an odd number of shares. (Addendum 1).

Applicant considers it advisable to implement the stock split for the following reasons:

The stock split will broaden the stockholder base. It is believed that the stock split will bring the price of Black Hills Corporation's common stock into a more desirable trading range, the value to shareholders will be improved through liquidity and marketability, and it will provide an increase in the number of shareholders.

6. No finder's or underwriter's fees will be paid in connection with the issuance of such Common Stock pursuant to the 3-for-2 split of the Common Stock. The shares of additional Common Stock proposed to be issued to implement the 3-for-2 split of Common Stock will not involve the receipt of

any proceeds by Applicant and will not change the Applicant's capital structure. The issuance of the Common Stock will be recorded on the Applicant's books as a reclassification between Common Stock and Additional Paid-In Capital.

7. The Commission in its Order EL93-020 dated July 15, 1993, authorized Applicant to issue and sell 1,000,000 shares of Common Stock pursuant to Applicant's Dividend Reinvestment Plan. Of the 1,000,000 shares authorized, 139,469 shares have been issued as of the date of this Application. Applicant further requests that the approval of the stock split be reflected in the number of shares remaining to be issued as of February 13, 1998, pursuant to the Dividend Reinvestment Plan and that all remaining shares not yet issued be increased by 50 percent.

8. The Commission in its Order EL95-023 dated September 22, 1995, authorized Applicant to issue and sell 200,000 shares of Common Stock pursuant to Applicant's Employees' Stock Purchase Plan. Of the 200,000 shares authorized, 13,360 shares have been issued as of the date of this Application and 8,331 shares have been subscribed to under the present offering. Applicant further requests that the approval of the stock split be reflected in the number of shares remaining to be issued as of February 13, 1998, pursuant to the Employees' Stock Purchase Plan and that all remaining shares not yet issued be increased by 50 percent.

9. The Commission in its Order EL96-023 dated October 17, 1996, authorized Applicant to issue 200,000 shares of Common Stock pursuant to Applicant's 1996 Stock Option Plan. Of the 200,000 shares authorized, 121,800 stock options have been granted and 2,000 shares have been issued as of the date of this Application. Applicant further requests that the approval of the stock split be reflected in the number of shares remaining to be issued as of February 13, 1998, pursuant to the 1996 Stock Option Plan and that all remaining shares not yet issued be increased by 50 percent.


10. The securities to be issued, as set forth above, will be passed upon as to legality on behalf of Applicant by John K. Nooney, Esq., Morrill Thomas Nooney & Braun, LLP, P.O. Box 8108, Rapid City, South Dakota 57709.

11. No approval of any federal or state governmental commission for issuance of the securities proposed to be issued by Applicant is required except the approval of the Public Utilities Commission of South Dakota and the Public Service Commission of Wyoming. Applications are being filed with said Commissions. The Additional Common Shares will be in compliance with the Securities and Exchange Commission pursuant to the Securities Act of 1933, as amended.

WHEREFORE, Applicant respectfully requests that this Commission issue its Order approving and authorizing the issuance by Applicant of the securities proposed to be issued pursuant to this Application and such amendments thereto as may be filed.

BLACK HILLS CORPORATION


BY


Roxann R. Basham, Vice President-Finance
and Secretary/Treasurer

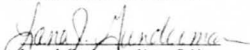
Dated January 29, 1998

STATE OF SOUTH DAKOTA)
)ss
COUNTY OF PENNINGTON)

The undersigned, Roxann R. Basham, Vice President - Finance and Secretary/Treasurer of Black Hills Corporation, a South Dakota corporation, being duly sworn according to law, deposes and says that she read the foregoing petition and that the statements made therein are true to the best of her knowledge and belief.


Roxann R. Basham

Sworn to and subscribed before
me this 29th day of January, 1998


Lorna J. Gundersen - Notary Public
My Commission Expires June 1, 2005

Addendum 1

I, Roxann R. Basham, Corporate Secretary of Black Hills Corporation, a South Dakota Corporation, do hereby certify that the following is a true copy of the preamble and resolutions adopted at a meeting of the Board of Directors of Black Hills Corporation duly called and held and at which a quorum was present on the 29th day of January 1998, and that the said resolutions are in full force and effect.

Witness my hand and the seal of the Company this 29th day of January, 1998.


Roxann R. Basham, Corporate Secretary

SEAL

CONSIDER STOCK SPLIT

Ms. Basham stated that subject to regulatory approval, management was recommending that the Board declare a 3-for-2 split of Common Stock. She explained that typically a stock split enhances the value to shareholders through improved marketability; attracts new shareholders by reducing the stock price, thereby placing the stock in a more attractive trading range. After discussion, motion was duly made, seconded, and carried unanimously adopting the following resolutions:

WHEREAS, it is in the best interests of the Company and its shareholders to increase the number of Common Stock shares outstanding in order to increase the float, trading volume, and liquidity,

BE IT RESOLVED:

1. Subject to regulatory approval, a stock split to be effected in the form of a stock dividend of one share for each two shares of Common Stock outstanding be, and it hereby is, declared payable in shares of such Common Stock as of March 10, 1998, to the holders of Common Stock of record at the close of business on February 13, 1998.
2. The stock dividend shall not include any fractional share to be issued for the last odd numbered share of any shareholder holding a number of shares on the record date not evenly divisible by two. In lieu of issuing a fractional share for the last odd numbered share, the Company does hereby declare a cash dividend to be paid out of earned surplus equal to two-thirds of the closing bid price for one share of the Company's stock on the New York Stock Exchange on the record date, February 13, 1998, to be paid on March 10, 1998.
3. The proper officers of the Company be, and they hereby are, authorized and directed to issue such number of shares of Common Stock of the Company (the "Additional Shares") as will fulfill the stock dividend and such officers shall issue and deliver to shareholders certificates for the number of shares of fully paid and non-assessable Common Stock of the Company to which such shareholders shall be respectively entitled.
4. Norwest Bank Minnesota, N.A., Transfer Agent, be and hereby is authorized to issue and record on its Transfer Books, stock certificates in such additional amount of authorized Common Stock as shall be necessary for such stock split, and Norwest Bank Minnesota, N.A., Registrar, be and hereby is authorized and directed to

register the number of full shares of Common Stock to be issued in payment of such stock split.

5. Effective with the issuance of the Additional Shares of Common Stock authorized by the foregoing resolutions, the authority theretofore granted to Norwest Bank Minnesota, N.A. to act as Transfer Agent for the shares of capital stock of this Corporation authorized for issuance be and it hereby is extended and increased by the number of shares of Common Stock, par value \$1 per share, as shall be necessary.
6. Effective with the issuance of the Additional Shares of Common Stock authorized by the foregoing resolutions, the authority granted to Norwest Bank Minnesota, N.A. to act as Registrar for the registration of certificates for the shares of capital stock of this corporation authorized for issue, be and it hereby is extended and increased by the number of shares of Common Stock, par value \$1 per share, as shall be necessary.
7. The proper officers of the Company are authorized and directed to file with the Public Utilities Commission of South Dakota and the Public Service Commission of Wyoming the necessary Applications seeking an Order of said Commissions approving the issuance of the Additional Shares of Common Stock of the Company and said officers are further authorized, on the Company's behalf, to furnish or cause to be furnished to said Commissions any further additional information by way of amendment, exhibits, or supplementary information which may be required, or in their opinion desirable in the premises.
8. The proper officers are authorized and directed to file with the New York Stock Exchange, Inc. an appropriate Application for the listing of the Additional Shares on said Exchange.
9. That with respect to each share of Common Stock to be issued in payment of the foregoing stock split, the Common Stock account shall be credited with the sum of \$1 per share, representing the par value of each share issued, and premium on capital stock shall be charged with a like amount.

10. This resolution relating to the stock split and the cash dividend for odd shares shall not become effective prior to the issuance by the Public Utilities Commission of South Dakota and the Public Service Commission of Wyoming of orders authorizing the issuance of the Additional Shares of Common Stock by the Company.
11. The proper officers of the Company be, and each of them hereby are, authorized to take all action and to execute and deliver all instruments, agreements, and documents on behalf of the Company as they or any of them shall deem necessary or advisable to accomplish the matters and things authorized in this resolution and to pay the expenses on behalf of the Company in connection therewith.

RECEIVED

FEB 02 1998

BEFORE THE PUBLIC UTILITIES COMMISSION
IN THE STATE OF SOUTH DAKOTA

SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	ORDER APPROVING 3-FOR-2
OF BLACK HILLS CORPORATION)	COMMON STOCK SPLIT IN
FOR AUTHORITY TO EFFECT A 3-FOR-2)	THE FORM OF A 1-FOR-2
COMMON STOCK SPLIT IN THE FORM OF)	STOCK DIVIDEND
A 1-FOR-2 STOCK DIVIDEND)	()

FAX Received JAN 30 1998

On January 29, 1998, Black Hills Corporation (hereinafter referred to as "Company"), a corporation organized and existing under the laws of the State of South Dakota, filed with the Public Utilities Commission of the State of South Dakota, its application pursuant to SDCL 49-34A-29 through SDCL 49-34A-34, requesting authority to effect a three-for-two split in the form of a one-for-two stock dividend and to increase the number of authorized shares to reflect the stock dividend.

Having fully considered the application and all of the files and records pertaining thereto on file with the Commission and being fully advised in the premises, the Commission makes the following

FINDINGS OF FACT

1. That Black Hills Corporation is a corporation organized and existing under the laws of the State of South Dakota, and operates in South Dakota as a public utility as defined in SDCL Section 49-34A-1, et seq., and as such is engaged in furnishing electric service in South Dakota.
2. The Company receives more than 25% of its gross revenues in the State of South Dakota and therefore the Commission has jurisdiction over the Company consistent with SDCL Section 49-34A-29.
3. The Company in its application seeks authority from the Commission to issue one share of its authorized but unissued common stock for each two shares of issued and outstanding common stock as of record date February 13, 1998 in the form of a stock dividend and requests amendments to previous orders of this Commission which will increase the number of authorized shares of common stock to be issued under the Company's Dividend Reinvestment Plan, Employees' Stock Purchase Plan and 1996

Stock Option Plan from the number of shares in the Plans which will be authorized but unissued as of February 13, 1998.

4. The purpose of the stock split-up to be affected by a stock dividend is to (i) broaden the shareholder base by increasing retail buying interest by making round lot purchases by individuals more affordable and by increasing trading volume and (ii) improve the liquidity of trading in the Company's common stock by increasing the floating supply of the stock to a level which will be more attractive to a wider range of investors and providing a lower market price to broaden the marketability of the public sale of the Company's common stock.

5. The common stock proposed to be issued by the Company in its application is for a lawful object, one within the corporate purposes of the Company and compatible with the public interest which is necessary or appropriate for or consistent with the proper performance by the Company of service as a public utility and which will not impair its ability to perform that service as is reasonably necessary or appropriate for such purposes.

6. The Commission deems that no formal hearing is required and further concludes that the application should be approved as hereinafter ordered. It is therefore

ORDERED, that Black Hills Corporation be, and it is hereby authorized to effect a split-up of the common stock of the Company in the form of a stock dividend by the issuance to each shareholder as of February 13, 1998 one share of the Company's authorized common stock for each two shares of issued and outstanding common stock held by said shareholder with no fractional share to be issued for any odd numbered share, but in lieu thereof a cash dividend equal to two-thirds of the closing bid price on the New York Stock Exchange on February 13, 1998 of one share of the Company's Common Stock to be paid each stockholder holding an odd number of shares on said date, and it is

FURTHER ORDERED, that to give effect to the common stock split, previous orders of this Commission authorizing the Company to issue common stock under various plans are amended as follows:

Order dated July 15, 1993 issued in Docket EL93-020 is hereby amended to authorize the Company to issue three shares for every two shares of the number of authorized shares of common stock remaining to be issued under the Dividend Reinvestment Plan as of February 13, 1998 from those shares previously authorized by this Commission

Order dated September 22, 1995 issued in Docket EL95-023 is hereby amended to authorize the Company to issue three shares for every two shares of the number of authorized shares of common stock remaining to be issued under the Employees' Stock Purchase Plan as of February 13, 1998 from those shares previously authorized by this Commission

Order dated October 17, 1996 issued in Docket EL96-023 is hereby amended to authorize the Company to issue three shares for every two shares of common stock remaining to be issued under the 1996 Stock Option Plan as of February 13, 1998 from those shares previously authorized by this Commission

FURTHER ORDERED, that neither the issuance of securities by the Company pursuant to the provisions of this Order nor any other act or deed done or performed in connection therewith shall be construed to obligate the State of South Dakota to pay or guarantee in any manner whatsoever a security authorized, issued, assumed or guaranteed hereunder, and it is

FURTHER ORDERED, that the issuance of securities by the Company pursuant to the provisions of this Order shall not be construed to mean that the Commission is in any way bound at some future date from finding Company's capital structure in need of adjustment

Dated at Pierre, South Dakota, this _____ day of February, 1998

BY ORDER OF THE COMMISSION:

JAMES A. BURG, Chairman

PAM NELSON, Commissioner

LASKA SCHOENFELDER, Commissioner

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

IN THE MATTER OF THE APPLICATION OF)	ORDER APPROVING 3-FOR-
BLACK HILLS CORPORATION FOR)	2 COMMON STOCK SPLIT
AUTHORITY TO ISSUE A 3-FOR-2 STOCK)	IN THE FORM OF A 1-FOR-2
SPLIT IN THE FORM OF A 1-FOR-2 STOCK)	STOCK DIVIDEND
DIVIDEND)	EL98-001

On January 30, 1998, the Public Utilities Commission (Commission) received an application from Black Hills Corporation (BHC), which operates its electric utility under the assumed name of Black Hills Power and Light Company, requesting approval of a 3-for-2 split of the Common Stock of BHC to be effected in the form of a stock dividend and that the Commission's Order also extend to the number of common shares previously approved for issuance and remaining to be issued pursuant to BHC's Dividend Reinvestment Plan, Employees' Stock Purchase Plan and 1996 Stock Option Plan. The shares of additional Common Stock proposed to be issued to implement the 3-for-2 split of the Common Stock will not involve the receipt of any proceeds by BHC nor will it change BHC's capital structure. BHC is proposing a 3-for-2 split to broaden its shareholder base. BHC believes the split will create a more desirable trading price range and will increase the liquidity and marketability of the stock. BHC requested this matter be approved prior to February 9, 1998.

On February 10, 1998, at a duly noticed ad hoc meeting, the Commission considered BHC's application. The Commission has jurisdiction over this matter pursuant to SDCL 49-34A-29 through 49-34A-34. The Commission finds the plan is within the corporate purposes of BHC, is compatible with the public interest, is appropriate for the proper performance by BHC as a public utility, that it will not impair BHC's ability to perform that service and that it is appropriate for such purposes. It is therefore

ORDERED, that the 3-for-2 split of the Common Stock of BHC to be effected in the form of a 1-for-2 stock dividend be and the same is hereby approved effective February 13, 1998, and it is

FURTHER ORDERED, that to give effect to the common stock split, previous orders of this Commission authorizing BHC to issue common stock under various plans are amended as follows:

Order dated July 15, 1993, issued in Docket EL93-020 is hereby amended to authorize BHC to issue three shares for every two shares of the number of authorized shares of common stock remaining to be issued under the Dividend Reinvestment Plan as of February 13, 1998, from those shares previously authorized by this Commission.

Order dated September 22, 1995, issued in Docket EL95-023 is hereby amended to authorize BHC to issue three shares for every two shares of the number of authorized shares of common stock remaining to be issued under the Employees' Stock Purchase Plan as of February 13, 1998, from those shares previously authorized by this Commission.

Order dated October 17, 1996, issued in Docket EL96-023 is hereby amended to authorize BHC to issue three shares for every two shares of common stock remaining to be issued under the 1996 Stock Option Plan as of February 13, 1998, from those shares previously authorized by this Commission, and it is

FURTHER ORDERED, that neither the issuance of securities by BHC pursuant to the provisions of this Order nor any other act or deed done or performed in connection therewith shall be construed to obligate the state of South Dakota to guarantee the payment in any manner whatsoever of any security authorized, issued, assumed or guaranteed hereunder, nor does it constitute a representation by the state of South Dakota or its Public Utilities Commission as to the quality or safety of any securities so issued, and it is

FURTHER ORDERED, that the issuance of this Order by the Commission authorizing the issuance of securities described herein is a securities authorization only and does not constitute the Commission's determination of any utility ratemaking issues whatsoever, which issues are expressly reserved for decision until they are presented to the Commission in an appropriate proceeding, and it is

FURTHER ORDERED that the issuance of securities by BHC pursuant to this Order is not construed to mean that the Commission is in any way prohibited at some future date from finding BHC's capital structure in need of adjustment.

Dated at Pierre, South Dakota, this 13th day of February, 1998.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.

By Allyn Kalko

Date 2/13/98

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION.

James A. Burg
JAMES A. BURG, Chairman

Pam Nelson
PAM NELSON, Commissioner

Laska Schoenfelder
LASKA SCHOENFELDER, Commissioner