



EL01-001

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE APPLICATION )  
OF BLACK HILLS POWER, INC., ) DOCKET NO. EL01-\_\_\_\_\_  
REQUESTING AUTHORITY TO INCUR )  
SHORT-TERM DEBT )

APPLICATION

Black Hills Power, Inc. does hereby make this Application to the South Dakota Public Utilities Commission ("Commission") as follows:

1. Black Hills Power, Inc. is a corporation organized under the laws of the State of South Dakota, having its office and principal place of business at 625 Ninth Street, Rapid City, South Dakota. Black Hills Power, Inc. is domesticated as a foreign corporation in the states of Wyoming, Montana, and Nebraska, and is duly licensed and qualified to transact business under the laws of each of those states.

2. Black Hills Power, Inc. is a public utility, as set forth in SDCL 49-34A-1, *et seq.*, and is engaged in the generation, transmission, distribution, purchase, and sale of electric power and energy through an interconnected transmission network and territory comprising 40 incorporated communities, various unincorporated communities, and rural areas located in western South Dakota, eastern Wyoming, and southeastern Montana.

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

Kyle D. White  
Vice President - Marketing and Regulatory Affairs  
Black Hills Power, Inc.  
P. O. Box 1400  
Rapid City, SD 57709

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

John K. Nooney  
Morrill Thomas Nooney & Braun, LLP  
625 Ninth Street  
P. O. Box 8108  
Rapid City, SD 57709-8108

**RECEIVED**

JAN 04 2001

**SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION**

4. On October 12, 2000, the Commission entered an Order in Docket EL00-024 approving a share exchange between Black Hills Corporation, now known as Black Hills Power, Inc., and Black Hills Holding Corporation, now known as Black Hills Corporation, which authorized an exchange of all outstanding shares between the two companies.

5. On December 22, 2000, an Article of Exchange was filed with the South Dakota Secretary of State, a copy of which is attached as Exhibit 1, effecting a share exchange between Black Hills Corporation, now known as Black Hills Power, Inc., and Black Hills Holding Corporation, now known as Black Hills Corporation. Immediately following the filing of the Articles of Exchange, Black Hills Corporation effected a name change to Black Hills Power and Light Company, Inc., and immediately thereafter effected a name change to Black Hills Power, Inc., as identified on Exhibits 2 and 3, and Black Hills Holding Corporation effected a name change to Black Hills Corporation, as evidenced on Exhibit 4.

6. Subsequent to the share exchange, Black Hills Power, Inc. is the public utility, and Black Hills Corporation is the holding company which holds the investment in the regulated and nonregulated business functions.

7. South Dakota law at SDCL 49-34A-30 prohibits a public utility from incurring short-term indebtedness of more than 5 percentum of the par value of other securities of the public utility then outstanding.

8. In 1994, Black Hills Power, Inc., through its predecessor-in-interest, Black Hills Corporation, received an Order from the Commission in Docket EL94-006, relieving it of the statutory limits identified in SDCL 49-34A-30, which authorizes Black Hills Corporation to incur short-term debt, maturing not more than one year after the date of issue, of a total aggregate amount not to exceed 30% of Black Hills Corporation's total capitalization.

9. Prior to the creation of the holding company, Black Hills Corporation had certain short-term indebtedness which matured not more than one year after the date of issuance in the aggregate amount of \$125,000,000. Of this short-term indebtedness, \$100,000,000 was primarily through or syndicated through U.S. Bank ("U. S. Bank"), with an expiration date of August 31, 2001, and an additional short-term indebtedness of \$25,000,000 with Wells Fargo ("Wells Fargo"), with an expiration date of November 20, 2001. Black Hills Corporation had made certain draws under these credit facilities, totaling approximately \$110,000,000. Both Black Hills Corporation and Black Hills Holding Corporation and their effective successors-in-interest were signatories to each of these credit facilities.

10. Subsequent to the share exchange, Black Hills Corporation and Black Hills Power, Inc. have entered into a credit facility authorizing additional short-term indebtedness of \$50,000,000, of which no monies have been advanced as of this date.

11. At the time the U.S. Bank and Wells Fargo credit facilities were put in place and advances were made to the Company, Black Hills Corporation (the Company prior to effecting the share exchange) was in compliance with the Order entered in EL94-006.

12. Prior to the creation of the holding company structure, Black Hills Corporation's capitalization consisted of not only utility assets but also nonutility, nonregulated assets via its investments in nonregulated subsidiaries. The realignment and the creation of Black Hills Corporation and Black Hills Power, Inc., through the holding company structure, has resulted in the capitalization of Black Hills Power being less than Black Hills Corporation in that the nonregulated activities are now held at the holding company structure and not in that company which is regulated and now known as Black Hills Power, Inc., which has the effect of reducing the short-term debt capacity of Black Hills Power, Inc.

13. In the event that the Company makes any advances under the ABN AMRO credit facility or further makes any advances under the U.S. Bank or Wells Fargo credit facilities, Black Hills Power may exceed the short-term debt limitation placed upon it in EL94-006. However, but for the creation of the holding company, Black Hills Corporation (prior to the share exchange) would have had the necessary short-term debt capacity under the Order entered in EL94-006 of approximately \$145,000,000.

14. The obligations under the U.S. Bank credit facility, Wells Fargo credit facility, and the ABN AMRO credit facilities are all joint and several liabilities between Black Hills Power, Inc., and Black Hills Corporation.

15. Prior to August 31, 2001, Black Hills Corporation anticipates putting in place new credit facilities at the holding company level and replacing the U.S. Bank credit facility and similarly, as it concerns the Wells Fargo and ABN AMRO credit facilities, it anticipates that each of those credit facilities will be consolidated into a holding company credit facility which will relieve Black Hills Power, Inc., from any obligation it has upon the creation of new credit facilities.

WHEREFORE, Black Hills Power, Inc., respectfully requests that this Commission issue an Order approving and authorizing:

1. That Black Hills Power, Inc., is released and relieved of any statutory obligations under SDCL 49-34A-30;
2. That Black Hills Power, Inc., is relieved of the short-term indebtedness limitations set forth in Docket EL94-006 concerning the Order authorizing the incurrence of short-term debt; and
3. That Black Hills Power, Inc., shall not be subject to any short-term debt limitations prior to September 2, 2001, and, as of that date, shall then be obligated to a short-term

indebtedness obligation of not more than 30% of Black Hills Power, Inc.'s total capitalization, which is its equity and long-term indebtedness.

Dated this 4th day of January, 2001.

BLACK HILLS POWER, INC.

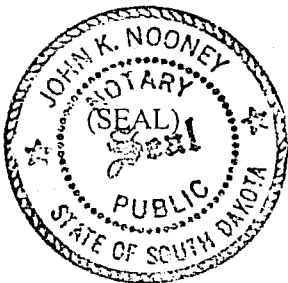
By *Kyle D. White*  
Kyle D. White  
Vice President - Marketing and Regulatory  
Affairs

STATE OF SOUTH DAKOTA    )  
  )  
COUNTY OF PENNINGTON    )

Kyle D. White, being first duly sworn on his oath, deposes and says: That he is the Vice President - Marketing and Regulatory Affairs, named in the within and foregoing Application; that he has read the same and knows the contents thereof to be true of his own knowledge except as to those matters therein stated on information and belief, and as to such matters, he believes it to be true.

*Kyle D. White*  
Kyle D. White

Subscribed and sworn to before me this 4th day of January, 2001.



*[Signature]*  
Notary Public  
My commission expires 7/12/2001

EXHIBIT  
1

# State of South Dakota

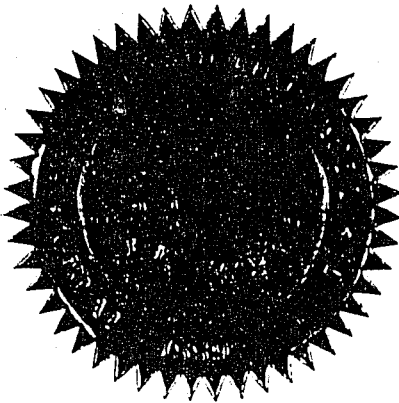


## OFFICE OF THE SECRETARY OF STATE

Department of State

United States of America, }	
	} Secretary's Office
State of South Dakota }	

This is to certify that the attached instrument of writing is a true, correct and examined copy of the Articles of Exchange between Black Hills Corporation and Black Hills Holding Corporation filed December 22, 2000.



IN TESTIMONY WHEREOF, I have hereunto set my hand and caused to be affixed the Great Seal of the state of South Dakota at the city of Pierre, the capital, this December 22, 2000.

Joyce Hazeltine  
Secretary of State

Fees, \$9

# State of South Dakota

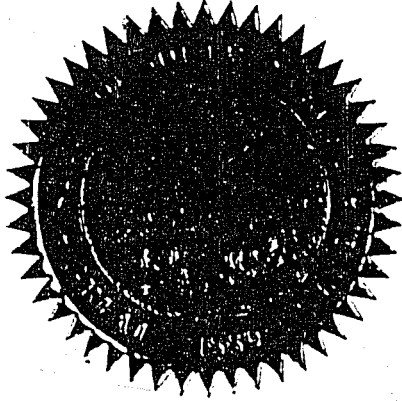


OFFICE OF THE SECRETARY OF STATE

## Certificate of Exchange

I, **JOYCE HAZELTINE**, Secretary of State of the State of South Dakota, hereby certify that duplicate of the Articles of Exchange between **BLACK HILLS CORPORATION**, a South Dakota Corporation, and **BLACK HILLS HOLDING CORPORATION**, a South Dakota Corporation, duly signed and verified pursuant to the provisions of the South Dakota Corporation Acts, have been received in this office and are found to conform to law.

**ACCORDINGLY** and by virtue of the authority vested in me by law, I hereby issue this Certificate of Exchange and attach hereto a duplicate of the Articles of Exchange.



IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the Great Seal of the State of South Dakota, at Pierre, the Capital, this December 22, 2000.

Joyce Hazeltine  
Secretary of State

0162678

BLACK HILLS CORPORATION

By James M. Mattern

James M. Mattern  
Its Senior Vice President - Corporate  
Administration

ATTEST:

Roxann R. Basham

Roxann R. Basham  
Vice President - Controller and  
Corporate Secretary

STATE OF SOUTH DAKOTA

COUNTY OF PENNINGTON

On the 22nd day of December, 2000, before me, the undersigned officer, personally appeared James M. Mattern and Roxann R. Basham, who acknowledged themselves to be the Senior Vice President - Corporate Administration, and Vice President - Controller and Corporate Secretary, respectively, of Black Hills Holding Corporation, a corporation, and that they, as such Senior Vice President - Corporate Administration, and Vice President - Controller and Corporate Secretary, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by themselves as Senior Vice President - Corporate Administration, and Vice President - Controller and Corporate Secretary.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Aronda R. Klinge

Notary Public  
My Commission Expires 9/9/05

(SEAL)

STATE OF SOUTH DAKOTA

COUNTY OF PENNINGTON

On the 22nd day of December, 2000, before me, the undersigned officer, personally appeared James M. Mattern and Roxann R. Basham, who acknowledged themselves to be the Senior Vice President - Corporate Administration, and Vice President - Controller and Corporate Secretary, respectively, of Black Hills Corporation, a corporation, and that they, as such Senior Vice President - Corporate Administration, and Vice President - Controller and Corporate Secretary, being authorized so to do, executed the foregoing instrument for the purposes therein



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SECRETARY OF STATE

ARTICLES OF EXCHANGE BETWEEN  
BLACK HILLS HOLDING CORPORATION AND  
BLACK HILLS CORPORATION

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SECRETARY OF STATE

SECRETARY OF STATE

Roxann R. Basham, Vice President - Controller and Corporate Secretary of Black Hills Holding Corporation ("Holding") and Black Hills Corporation ("Black Hills"), consistent with the statutory provisions of SDCL 47-6-6, sets forth these Articles of Exchange:

1. Attached as Exhibit A is a Plan of Exchange, consistent with the provisions of SDCL 47-6-2.1, of Holding and Black Hills.
  
2. Black Hills is the owner of all outstanding shares of Holding; and as of the Plan of Exchange, Black Hills holds 100 shares of common stock of Holding; and as it concerns Black Hills, there are 23,302,111 shares outstanding as of the date of these Articles of Exchange. As of the date of the annual meeting held on June 20, 2000, there were 21,751,207 shares outstanding which were issued and entitled to vote as of that date. Since the date of the annual meeting, 1,536,747 shares were issued relative to the merger transaction between Black Hills Energy Capital, Inc., a wholly owned subsidiary of Black Hills, and Indeck Energy; 9,124 shares related to employee stock purchase plans; and 5,033 shares issued relative to stock options, for a current issued and outstanding total of 23,302,111 shares.
  
3. As it concerns Holding, all 100 shares of Holding voted for the Plan of Exchange, constituting 100% of all issued and outstanding shares of Holding; and as it concerns Black Hills, 12,987,600 shares voted for the exchange, which affirmative vote is a majority of the shares entitled to vote thereon; 1,861,557 shares voted against the exchange; 225,459 shares abstained from voting; and 3,354,236 shares were held by brokers and were not voted relative to the exchange.

BLACK HILLS HOLDING CORPORATION

By James M. Mattem  
James M. Mattem  
Its Senior Vice President - Corporate  
Administration

ATTEST:  
Roxann R. Basham  
Roxann R. Basham  
Vice President - Controller and  
Corporate Secretary

0162979

contained, by signing the name of the corporation by themselves as Senior Vice President - Corporate Administration, and Vice President - Controller and Corporate Secretary.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Pamela B. Fung  
Notary Public  
My Commission Expires 9/9/05

(SEAL)

PLAN OF EXCHANGE  
BETWEEN  
BLACK HILLS CORPORATION  
(a South Dakota corporation)  
AND  
BLACK HILLS HOLDING CORPORATION  
(a South Dakota corporation)

RECITALS

A. Black Hills Corporation ("Black Hills") is a corporation duly organized, validly existing and in good standing under the laws of the State of South Dakota; Black Hills is authorized to issue 50,000,000 shares of common stock, \$1 par value ("Black Hills Common Stock"), of which 21,300,949 shares are currently issued and outstanding; 270,000 shares of cumulative preferred stock, \$100 par value, of which no shares were issued and outstanding; and 400,000 shares of series cumulative preferred stock, no par value, of which no shares are currently issued and outstanding.

B. Black Hills Holding Corporation (the "Holding Company"), a wholly owned subsidiary of Black Hills, is a corporation duly organized, validly existing and in good standing under the laws of the State of South Dakota; Holding Company is authorized to issue 100,000,000 shares of common stock, \$1 par value ("Holding Company Common Stock"), of which 100 shares are issued and outstanding, and 25,000,000 shares of series preferred stock, no par value, of which no shares are issued and outstanding.

C. The Board of Directors of Black Hills has adopted resolutions approving this Plan of Exchange (the "Plan") in accordance with the South Dakota Business Corporation Act (the "BCA") and directing that it be submitted to the shareholders of Black Hills for adoption.

ARTICLE I

General

1.01. *Parties to Exchange.* Black Hills and the Holding Company shall effect the exchange of all outstanding shares of Black Hills Common Stock for shares of Holding Company Common Stock in accordance with and subject to the terms of this Plan (the "Exchange"). The Exchange shall be subject to the receipt of the following conditions precedent and such other conditions as the Board of Directors of Black Hills shall determine: (1) the receipt of all necessary governmental approvals and such governmental approvals shall not contain, in the sole judgment of the Board of Directors of Black Hills, any unacceptable conditions; (2) receipt of shareholder approval as required by the BCA; (3) the listing, on official notice of issuance, of the Holding Company Common Stock on the New York Stock Exchange; (4) the receipt of an opinion of counsel covering certain United States federal income tax matters; and (5) the effectiveness of a registration statement under the Securities Act of 1933 covering the Holding Company Common Stock to be issued or reserved for issuance in connection with the Exchange.

1.02. *Effectiveness.* Articles of Exchange, and such other documents and instruments as are required by, and complying in all respects with, the BCA shall be delivered to the appropriate state officials for filing. The Exchange shall become effective upon the date specified in the Articles of Exchange as filed with the Secretary of State of South Dakota (the "Effective Time").

1.03. *Termination* Notwithstanding shareholder approval of this Plan, this Plan may be terminated at any time prior to the Effective Time by either Black Hills or Holding Company by written notice duly authorized by its board of directors delivered to the other corporation.

1.04. *Amendment* This Plan may be amended by the written agreement of Black Hills and the Holding Company at any time prior to submission of the Plan to the shareholders of Black Hills for approval and, at any time thereafter prior to the Effective Time except to (i) change the amount or kind of shares to be received by the shareholders of Black Hills or (ii) adversely affect the rights of the shareholders of Black Hills.

## ARTICLE II

### Capital Stock

2.01. *Exchange.* At the Effective Time, each share of Black Hills Common Stock issued and outstanding immediately prior to the Effective Time shall, by virtue of the Exchange and without any action on the part of any holder thereof, be converted and exchanged into one share of Holding Company Common Stock and the Holding Company shall thereupon have acquired and be the holder of each share of Black Hills Common Stock converted and exchanged in the Exchange. All shares of the Holding Company Common Stock so issued shall be validly issued, fully paid and nonassessable.

At the Effective Time, each share of Black Hills Preferred Stock issued and outstanding immediately prior to the Effective Time shall, by virtue of the Exchange and without any action on the part of any holder thereof, be converted and exchanged into one share of Holding Company Preferred Stock and the Holding Company shall thereupon have acquired and be the holder of each share of Black Hills Preferred Stock converted and exchanged in the Exchange. All shares of the Holding Company Preferred Stock so issued shall be validly issued, fully paid and nonassessable.

2.02. *Treasury Stock.* At the Effective Time, each share of Black Hills Common Stock held in the treasury of Black Hills shall be canceled and shall be restored to the status of authorized but unissued shares. Black Hills common stock held by Wyodak Resources Development Corp., a subsidiary of Black Hills Corporation, will be exchanged for shares of Black Hills Holding Corporation.

2.03. *Certificates.* Following the Effective Time, each holder of an outstanding certificate or certificates theretofore representing shares of Black Hills Common Stock may, but shall not be required to, surrender the same to the Holding Company for reissuance of a new certificate or certificates in holder's name or for transfer, and each such holder or transferee will be entitled to receive a certificate or certificates representing the same number of shares of the Holding Company. Without any further action on the part of Black Hills or the Holding Company, each outstanding certificate which, immediately before the Effective Time, represented Black Hills Common Stock shall be deemed and treated for all corporate purposes to represent the ownership of the same number of shares of Holding Company Common Stock as though a surrender or transfer and exchange had taken place. The holders of Black Hills Common Stock at the Effective Time shall have no right at or after the Effective Time to have their shares of Black Hills Common Stock transferred on the stock transfer books of Black Hills (such stock transfer books being deemed closed for this purpose at the Effective Time) and at and after the Effective Time such stock transfer books shall be deemed to be the stock transfer books of the Holding Company.

2.04. *Cancellation of Holding Company Common Stock Held by Black Hills.* Immediately prior to the Effective Time, each share of Holding Company Common Stock issued and outstanding immediately before the Effective Time shall be canceled and thereupon shall constitute an authorized but unissued share, and all rights in respect thereof shall cease. Black Hills, as the sole holder of Holding Company Common Stock, consents to such cancellation.

2.05. *Assumption of Black Hills Benefit Plans* The Holding Company hereby agrees to assume and Black Hills acknowledges such assumption at and as of the Effective Time, the following stock benefit plans of Black Hills: Dividend Reinvestment and Stock Purchase Plan, Employee Stock Purchase Plan, 1996 and 1999 Stock Option Plans, Short Term Annual Incentive Compensation Plan, Retirement Savings 401(k) Plan, Outside Directors Stock Based Compensation Plan and Non Qualified Deferred Compensation Plan (collectively, the "Benefit Plans"). In connection with the foregoing, the parties agree that the Benefit Plans shall be amended to provide that the Holding Company Common Stock will be issued in lieu of Black Hills Common Stock under the terms of the Benefit Plans. The Holding Company shall reserve, for purposes of the Benefit Plans, that number of shares of Holding Company Common Stock equivalent to the number of shares of Black Hills Common Stock reserved for such purposes immediately prior to the Effective Time.

2.06. *Election of Directors* Prior to or as of the Effective Time, the Holding Company shall cause each director of Black Hills who is not then also a director of the Holding Company to be elected a director of the Holding Company so that as of the Effective Time, the Holding Company shall have the same directors as Black Hills.

2.07. *Name Change* At and as of the Effective Time, the name of Black Hills shall be changed to "Black Hills Power and Light Company," and the name of Holding Company shall be changed to "Black Hills Corporation."

2.08. *Governing Law* This Plan of Exchange shall be governed by and construed in accordance with the laws of the State of South Dakota.

IN WITNESS WHEREOF, the parties hereto have executed this Plan of Exchange as of April 28, 2000.

BLACK HILLS CORPORATION

By:           /s/ DANIEL P. LANDGUTH          

Name: Daniel P. Landguth  
Title: Chairman of the Board and Chief  
Executive Officer

BLACK HILLS HOLDING CORPORATION

By:           /s/ DANIEL P. LANDGUTH          

Name: Daniel P. Landguth  
Title: Chairman of the Board, President and  
Chief Executive Officer

# State of South Dakota

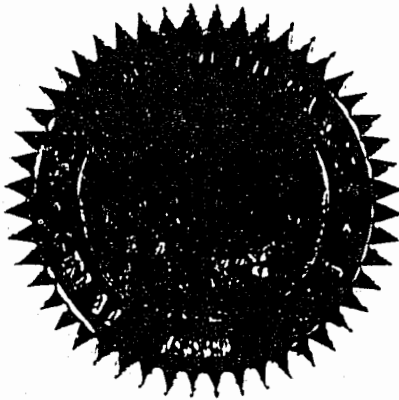


## OFFICE OF THE SECRETARY OF STATE

Department of State

United States of America, }	
	} Secretary's Office
State of South Dakota }	

This is to certify that the attached instrument of writing is a true, correct and examined copy of the amendment of Black Hills Corporation changing its name to Black Hills Power and Light Company filed December 22, 2000.



IN TESTIMONY WHEREOF, I have hereunto set my hand and caused to be affixed the Great Seal of the state of South Dakota at the city of Pierre, the capital, this December 22, 2000.

Joyce Hazeltine  
Secretary of State

Fees. \$9

# State of South Dakota



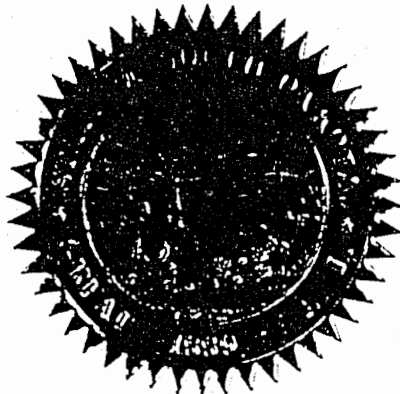
OFFICE OF THE SECRETARY OF STATE

## Certificate of Amendment

I, JOYCE HAZELTINE, Secretary of State of the State of South Dakota, hereby certify that duplicate of the Articles of Amendment to the Articles of Incorporation of **BLACK HILLS CORPORATION** changing its name to **BLACK HILLS POWER AND LIGHT COMPANY** duly signed and verified pursuant to the provisions of the South Dakota Corporation Acts, have been received in this office and are found to conform to law.

ACCORDINGLY and by virtue of the authority vested in me by law, I hereby issue this Certificate of Amendment to the Articles of Incorporation and attach hereto a duplicate of the Articles of Amendment.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the Great Seal of the State of South Dakota, at Pierre, the Capital, this December 22, 2000.



Joyce Hazeltine  
Secretary of State

Dec 22 2000

ARTICLES OF AMENDMENT TO THE  
ARTICLES OF INCORPORATION OF  
BLACK HILLS CORPORATION

RECEIVED  
DEC 22 2000  
S.D. SEC. OF STATE

The undersigned do hereby execute, acknowledge, and deliver to the Secretary of State of South Dakota the following Articles of Amendment:

1. The name of the corporation is Black Hills Corporation.
2. The following amendment was adopted by the shareholders of the Corporation on June 20, 2000:

Article I of the Articles of Incorporation is hereby amended to read as follows:

The name of the Corporation is Black Hills Power and Light Company.

3. The number of shares of the Corporation outstanding at the time of such adoption was 20,428,852, and the number of shares entitled to vote thereon was 20,428,852.
4. The number of shares voted for such amendment was 12,987,600, which was 70.4% of all issued and outstanding shares at the time. The number of shares voted against this amendment was 1,861,557. The number of shares abstaining from voting on this amendment was 2,225,459. The number of shares held by brokers and not voted was 3,354,236.

IN WITNESS WHEREOF, these Articles of Amendment to the Articles of Incorporation of Black Hills Corporation were executed on this 22nd day of December, 2000.

BLACK HILLS CORPORATION

By James M. Mattern  
James M. Mattern  
Its Senior Vice President - Corporate  
Administration

And Roxann R. Basham  
Roxann R. Basham  
Its Vice President - Controller and Corporate  
Secretary



STATE OF SOUTH DAKOTA

COUNTY OF PENNINGTON

On the 22nd day of December, 2000, before me, the undersigned officer, personally appeared James M. Mattern and Roxann R. Basham, who acknowledged themselves to be the Senior Vice President - Corporate Administration, and Vice President - Controller and Corporate Secretary, respectively, of Black Hills Corporation, a corporation, and that they, as such Senior Vice President - Corporate Administration, and Vice President - Controller and Corporate Secretary, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by themselves as Senior Vice President - Corporate Administration, and Vice President - Controller and Corporate Secretary.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

*Andrea R. Lingle*

Notary Public

My Commission Expires

9/9/05

(SEAL)

Receipt Number: \_\_\_\_\_

File Number DB00778

**AMENDMENT**

For

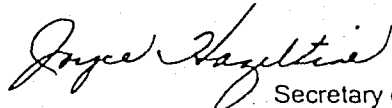
**BLACK HILLS CORPORATION changing its name to BLACK HILLS POWER AND  
LIGHT COMPANY**

Filed at the request of:

Morrill Thomas Nooney & Braun  
Box 8108  
Rapid City SD 57709

*State of South Dakota*  
*Office of the Secretary of State*

Filed in the office of the Secretary of State on: **Friday, December 22, 2000**

  
Secretary of State

Fee Received: \$20

# State of South Dakota



## OFFICE OF THE SECRETARY OF STATE

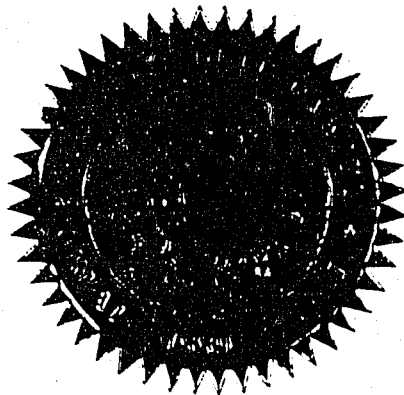
Department of State

United States of America, }

} Secretary's Office

State of South Dakota }

This is to certify that the attached instrument of writing is a true, correct and examined copy of the amendment of Black Hills Power and Light Company changing its name to Black Hills Power Inc. filed December 22, 2000.



IN TESTIMONY WHEREOF, I have hereunto set my hand and caused to be affixed the Great Seal of the state of South Dakota at the city of Pierre, the capital, this December 22, 2000.

Joyce Hazeltine  
Secretary of State

Fees, \$9

# State of South Dakota



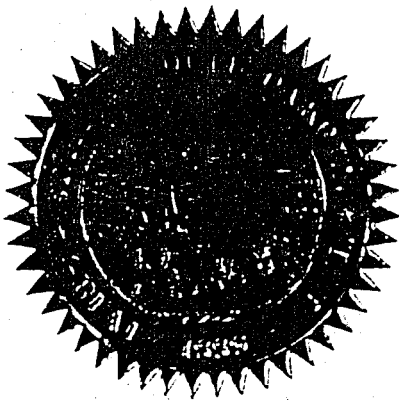
## OFFICE OF THE SECRETARY OF STATE

### Certificate of Amendment

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**ACCORDINGLY** and by virtue of the authority vested in me by law, I hereby issue this Certificate of Amendment to the Articles of Incorporation and attach hereto a duplicate of the Articles of Amendment.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the Great Seal of the State of South Dakota, at Pierre, the Capital, this December 22, 2000.



Joyce Hazeltine  
Secretary of State

Dec 22 2000

ARTICLES OF AMENDMENT TO THE  
ARTICLES OF INCORPORATION OF  
BLACK HILLS POWER AND LIGHT COMPANY

RECEIVED

DEC 22 '00

SD STATE

The undersigned do hereby execute, acknowledge, and deliver to the Secretary of State of South Dakota the following Articles of Amendment:

- 1. The name of the corporation is Black Hills Power and Light Company.
- 2. The following amendment was adopted by the shareholders of the Corporation on June 20, 2000:

Article I of the Articles of Incorporation is hereby amended to read as follows:

The name of the Corporation is Black Hills Power, Inc.

- 3. The number of shares of the Corporation outstanding at the time of such adoption was 100, and the number of shares entitled to vote thereon was 100.
- 4. The number of shares voted for such amendment was 100. The number of shares voted against this amendment was 0.

IN WITNESS WHEREOF, these Articles of Amendment to the Articles of Incorporation of Black Hills Power and Light Company were executed on this 22nd day of December, 2000.

BLACK HILLS POWER AND LIGHT  
COMPANY

By James M. Mattern  
James M. Mattern  
Its Senior Vice President - Corporate  
Administration

And Roxann R. Basham  
Roxann R. Basham  
Its Vice President - Controller and Corporate  
Secretary

STATE OF SOUTH DAKOTA

COUNTY OF PENNINGTON

On the 22nd day of December, 2000, before me, the undersigned officer, personally appeared James M. Mattern and Roxann R. Basham, who acknowledged themselves to be the Senior Vice President - Corporate Administration, and Vice President - Controller and Corporate Secretary, respectively, of Black Hills Power and Light Company, a corporation, and that they, as such Senior Vice President - Corporate Administration, and Vice President - Controller and Corporate Secretary, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by themselves as Senior Vice President - Corporate Administration, and Vice President - Controller and Corporate Secretary.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Bronda R. Lingle  
Notary Public  
My Commission Expires 9/9/05

(SEAL)

Receipt Number: \_\_\_\_\_

File Number DB000778

**AMENDMENT**

For


**BLACK HILLS POWER AND LIGHT COMPANY changing its name to BLACK HILLS POWER, INC.**

Filed at the request of:

Morrill Thomas Nooney & Braun LLP  
Box 8108  
Rapid City SD 57709

*State of South Dakota*  
*Office of the Secretary of State*

Filed in the office of the Secretary of State on: **Friday, December 22, 2000**

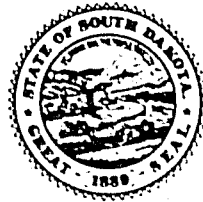
  
Secretary of State

Fee Received: \$20





# State of South Dakota



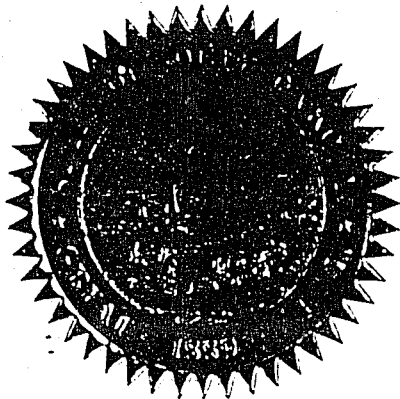
## OFFICE OF THE SECRETARY OF STATE

### Certificate of Amendment

I, **JOYCE HAZELTINE**, Secretary of State of the State of South Dakota, hereby certify that duplicate of the Articles of Amendment to the Articles of Incorporation of **BLACK HILLS HOLDING CORPORATION** changing its name to **BLACK HILLS CORPORATION** duly signed and verified pursuant to the provisions of the South Dakota Corporation Acts, have been received in this office and are found to conform to law.

ACCORDINGLY and by virtue of the authority vested in me by law, I hereby issue this Certificate of Amendment to the Articles of Incorporation and attach hereto a duplicate of the Articles of Amendment.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the Great Seal of the State of South Dakota, at Pierre, the Capital, this December 22, 2000.



Joyce Hazeltine  
Secretary of State

Dec 22nd 2000

ARTICLES OF AMENDMENT TO THE  
ARTICLES OF INCORPORATION OF  
BLACK HILLS HOLDING CORPORATION

RECEIVED  
DEC 22 '00  
116-422740 S.D. SEC. OF STATE

The undersigned do hereby execute, acknowledge, and deliver to the Secretary of State of South Dakota the following Articles of Amendment:

1. The name of the corporation is Black Hills Holding Corporation.
2. The following amendment was adopted by the shareholders of the Corporation on June 20, 2000:

Article I of the Articles of Incorporation is hereby amended to read as follows:

The name of the Corporation is Black Hills Corporation.

3. The number of shares of the Corporation outstanding at the time of such adoption was 100, and the number of shares entitled to vote thereon was 100.
4. The number of shares voted for such amendment was 100. The number of shares voted against this amendment was 0.

IN WITNESS WHEREOF, these Articles of Amendment to the Articles of Incorporation of Black Hills Holding Corporation were executed on this 22nd day of December, 2000.

BLACK HILLS HOLDING CORPORATION

By James M. Mattern  
James M. Mattern  
Its Senior Vice President - Corporate  
Administration

And Roxann R. Basham  
Roxann R. Basham  
Its Vice President - Controller and Corporate  
Secretary

STATE OF SOUTH DAKOTA

COUNTY OF PENNINGTON

On the 22nd day of December, 2000, before me, the undersigned officer, personally appeared James M. Mattern and Roxann R. Basham, who acknowledged themselves to be the Senior Vice President - Corporate Administration, and Vice President - Controller and Corporate Secretary, respectively, of Black Hills Holding Corporation, a corporation, and that they, as such Senior Vice President - Corporate Administration, and Vice President - Controller and Corporate Secretary, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by themselves as Senior Vice President - Corporate Administration, and Vice President - Controller and Corporate Secretary.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Brandon R. Lingle  
Notary Public  
My Commission Expires 9/9/05

(SEAL)

**South Dakota Public Utilities Commission**  
**WEEKLY FILINGS**  
**For the Period of January 4, 2001 through January 10, 2001**

If you need a complete copy of a filing faxed, overnight expressed, or mailed to you, please contact Delaine Kolbo within five business days of this filing. Phone: 605-773-3705 Fax: 605-773-3809

**CONSUMER COMPLAINTS**

**CT01-002**      **In the Matter of the Complaint filed by Robert E. Ellis, Florence, South Dakota, against OLS, Inc. Regarding Unauthorized Switching of Services.**

The complainant alleges that his long distance phone provider was switched without his knowledge or authorization and that he was without a long distance carrier for five days. The complainant requests that OLS be fined and the phone bill paid to AT&T for calls billed by OLS.

Staff Analyst: Charlene Lund  
Staff Attorney: Kelly Frazier  
Date Docketed: 01/04/01  
Intervention Deadline: N/A

**ELECTRIC**

**EL01-001**      **In the Matter of the Application of Black Hills Power, Inc. Requesting Authority to Incur Short-Term Debt.**

On January 4, 2001, Black Hills Power, Inc. filed an application requesting authority to incur short-term debt. South Dakota law at SDCL 49-34A-30 prohibits a public utility from incurring short-term indebtedness of more than 5 percent of the par value of other securities of the public utility then outstanding. In an Order from the Commission in Docket EL94-006, Black Hills Corporation (the predecessor-in-interest of Black Hills Power, Inc.) was relieved of the statutory limits of SDCL 49-34A-30, and was authorized to incur short-term debt of a total aggregate amount not to exceed 30% of its total capitalization. Due to corporate restructuring, any advances made under credit facilities that are currently in place could cause Black Hills Power, Inc. to exceed the short-term debt limitations placed upon it in EL94-006. Prior to August 31, 2001, Black Hills Corporation anticipates putting in place new credit facilities at the holding company level which will relieve Black Hills Power, Inc. from any obligation it has upon the creation of new credit facilities. Black Hills Power, Inc. is seeking an Order approving and authorizing 1) that Black Hills Power, Inc., is released and relieved of any statutory obligations under SDCL 49-34A-30; 2) that Black Hills Power, Inc. is relieved of the short-term indebtedness limitations set forth in Docket EL94-006 concerning the Order authorizing the incurrence of short-term debt; and 3) that Black Hills Power, Inc. shall not be subject to any short-term debt limitations prior to September 2, 2001, and as of that date, shall then be obligated to a short-term indebtedness obligation of not more than 30% of Black Hills Power, Inc.'s total capitalization, which is its equity and long-term indebtedness.

Staff Analyst: Heather Forney  
Staff Attorney: Karen Cremer  
Date Docketed: 01/04/01  
Intervention Deadline: 01/26/01

**EL01-002 In the Matter of the Filing by MidAmerican Energy Company for Approval of Tariff Revisions.**

Application by MidAmerican Energy to revise its bill form to reduce administrative cost and clarify certain language.

Staff Analyst: Dave Jacobson  
Staff Attorney: Karen Cremer  
Date Docketed: 01/10/01  
Intervention Deadline: N/A

**NATURAL GAS**

**NG01-001 In the Matter of the Filing by MidAmerican Energy Company fo. Approval of its 2000 Economic Development Report and its 2001 Economic Development Plan.**

On January 4, 2001, the Commission received a filing from MidAmerican Energy Company pursuant to Docket NG95-019 requesting: (1) approval of its 2000 economic development report; and (2) approval of its 2001 economic development budget.

Staff Analyst: Heather Forney  
Staff Attorney: Kelly Frazier  
Date Docketed: 01/04/01  
Intervention Deadline: 01/26/01

**NG01-002 In the Matter of the Filing by MidAmerican Energy Company for Approval of Tariff Revisions.**

Application by MidAmerican Energy to revise its bill form to reduce administrative cost and clarify certain language.

Staff Analyst: Dave Jacobson  
Staff Attorney: Karen Cremer  
Date Docketed: 01/10/01  
Intervention Deadline: N/A

**TELECOMMUNICATIONS**

**TC01-002 In the Matter of the Application of Toledo Area Telecommunications Services, Inc. d/b/a Buckeye TeleSystem for a Certificate of Authority to Provide Interexchange Telecommunications Services in South Dakota.**

Toledo Area Telecommunications Services, Inc. d/b/a Buckeye TeleSystem is seeking a Certificate of Authority to provide intrastate interexchange telecommunication services in South Dakota. The applicant intends to provide outbound direct dial, inbound toll free, travel card, frame relay, and alternative operator assisted service.

Staff Analyst: Keith Senger  
Staff Attorney: Kelly Frazier  
Date Docketed: 01/08/01  
Intervention Deadline: 01/26/01

TC01-003

**In the Matter of the Filing for Approval of a Fourth Amendment to an Interconnection Agreement between Qwest Corporation and Sprint Communications Company L.P.**

An amendment No. 4 to the Interconnection Agreement between Qwest Corporation (Qwest) and Sprint Communications Company, L.P. (Sprint) was filed with the Commission for the states of Idaho, Iowa, Montana, Nebraska, New Mexico, North Dakota, Oregon, South Dakota, Utah and Wyoming for approval by the Commission. The agreement is a negotiated agreement with the parties adopting the negotiated interconnection agreement between Sprint and Qwest which was approved by the Commission effective November 21, 1997 in Docket No. TC97-149. The Amendment adds terms and conditions for the LIS Inter Local Calling Area (LCA) Facility. Any party wishing to comment on the agreement may do so by filing written comments with the Commission and the parties to the agreement no later than January 30, 2001. Parties to the agreement may file written responses to the comments no later than twenty days after the service of the initial comments.

Staff Attorney: Kelly D. Frazier

Date Docketed: 01/10/01

Initial Comments Due: 01/30/01

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You may subscribe or unsubscribe to the PUC mailing lists at <http://www.state.sd.us/puc/>**


MEMORANDUM TO COMMISSIONERS BURG, NELSON AND SCHOENFELDER

FROM: Heather Forney

RE: Black Hills Power, Inc. Requesting Authority to Incur Short-Term Debt. EL01-001

DATE: February 12, 2001

Attached is information provided as part of a data response from Black Hills Power, Inc. The Company has authorized staff to distribute said information to the Commissioners in order to aid in the analysis of the docket listed above.

Respectively submitted: Heather Forney 

cc John Nooney; Morrill Thomas Nooney & Braun, LLP  
Kyle White, Black Hills Power

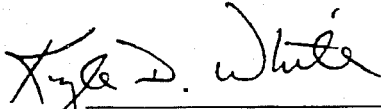
016270629

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE APPLICATION	)	
OF BLACK HILLS POWER, INC.,	)	DOCKET NO. EL01-001
REQUESTING AUTHORITY TO INCUR	)	
SHORT-TERM DEBT	)	

ANSWERS TO DATA REQUESTS

I, Kyle D. White, hereby submit the following answers to the Data Requests from the Staff of the South Dakota Public Utilities Commission by way of letter dated January 10, 2001, and certify that the responses are true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.




---

Kyle D. White  
Vice President - Marketing and Regulatory Affairs

Dated this 29th day of January, 2001.



SOUTH DAKOTA PUBLIC UTILITIES COMMISSION  
DOCKET NO. EI.01-001

BLACK HILLS POWER, INC.  
ANSWERS TO DATA REQUESTS

- 0162.67.31
1. **Please provide organizational charts showing the holding company and all its subsidiaries (including the capital balance and short-term debt obligations of each) prior to the reorganization, as they stand now, and their anticipated outlook after the debt restructuring.**

Attached as Exhibit 1 is an organizational structure of Black Hills Corporation prior to reorganization, as it exists today, and future organization. Attached as Exhibit 2 are the capital balances and short-term debt obligations of each of the companies prior to the reorganization, as they exist today, and their anticipated outlook after the restructuring.

2. **Please provide some type of letter of assurance from the short-term debt holders indicating that they are aware of Black Hills' planned debt restructuring and that Black Hills will not be in non-compliance with any debt covenants.**

Attached as Exhibit 3 are the letters from the short-term debt holders, affirming that Black Hills will not be in noncompliance with any of their respective debt covenants as it concerns the short-term obligations.

3. **Please confirm that Black Hills intends to have all of its anticipated debt restructuring in place prior to September 2, 2001 so that no additional extensions or waivers will be necessary.**

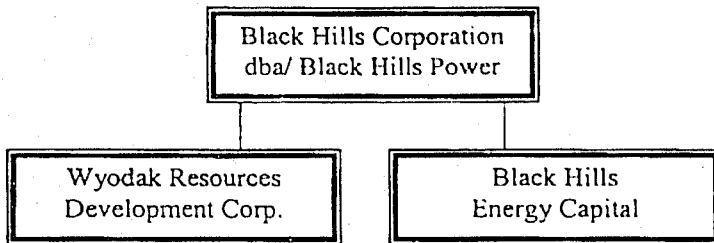
Attached as Exhibit 4 is an officer compliance certificate as prepared by Mark T. Thies, Senior Vice President and Chief Financial Officer of Black Hills Corporation.

**EXHIBIT**  
1

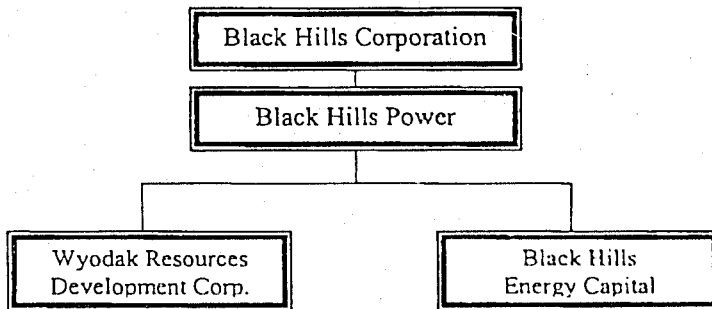
South Dakota Public Utilities Commission  
EL1-001-In the Matter of Black Hills Power, Inc.,  
Requesting Authority to Incur Short-term Debt  
Staff Data Request Dated 1/10/01

1. Please provide organizational charts showing the holding company and all its subsidiaries (including the capital balance and short-term debt obligations of each) prior to the reorganization, as they stand now, and their anticipated outlook after the debt restructuring.

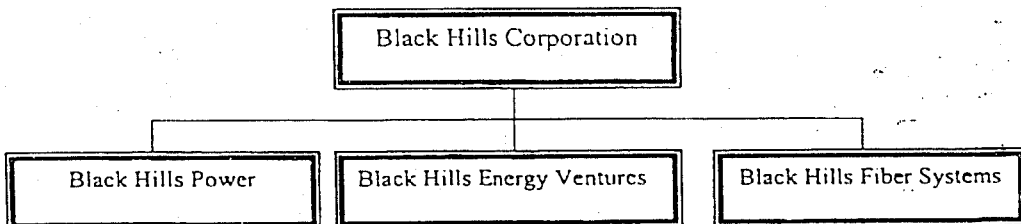
Prior to Reorganization



Current Organization



Future Organization



## EXHIBIT

2

BLACK HILLS CORPORATION AND SUBSIDIARIES  
CAPITAL BALANCES AS OF DECEMBER 31, 2000

## PRIOR TO REORGANIZATION

	BHC (d.b.a. BHPL)	WRDC	BHEC
SHORT-TERM BORROWINGS	121,000,000	90,000,000	-
TOTAL CAPITALIZATION **	606,690,584	85,055,917	201,016,592
Short-Term debt as a % of capitalization	20%	106%	0%

## CURRENT ORGANIZATION

	BHC (HOLDING CO.) CONSOLIDATED	BHP, INC. (Utility Only)	WRDC	BHEC
SHORT-TERM BORROWINGS	211,000,000	121,000,000	90,000,000	-
TOTAL CAPITALIZATION **	606,690,584	606,690,584	85,055,917	201,016,592
Short-Term debt as a % of capitalization	35%	20%	106%	0%

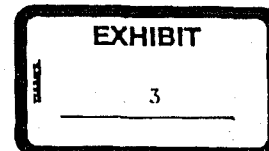
## PRO-FORMA AFTER DEBT RESTRUCTURING

	BHC (HOLDING CO.) CONSOLIDATED	BHP, INC.	BHEV INCLUDING WRDC AND BHEC	BHFS
SHORT-TERM BORROWINGS	211,000,000	-	125,000,000	-
TOTAL CAPITALIZATION **	606,690,584	329,458,694	297,110,043	(11,850,034)
Short-Term debt as a % of capitalization	35%	0%	42%	0%

\*\* exclusive of short-term debt



ENERGY CAPITAL SERVICES



South Dakota Public Utilities Commission  
State Capitol Building  
500 East Capitol Avenue  
Pierre, South Dakota 57501-5070

January 29, 2001

Re: Reorganization of Black Hills Corporation

Ladies and Gentlemen:

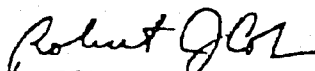
Reference is made to that certain Credit Agreement, dated August 31, 2000 (the "Credit Agreement"), by and among Black Hills Corporation (now known as "Black Hills Power, Inc.") and Black Hills Holding Corporation (now known as "Black Hills Corporation") as borrowers (the "Borrowers") and U.S. Bank, National Association, Sanwa Bank California, and Union Bank of California, N.A. ("Union Bank") as lenders (the "Banks"), under which the Banks have committed to extend credit in a total amount of up to \$60,000,000 on a revolving loan basis to Borrowers, as joint and several debtors.

In connection with the Application filed with the South Dakota Public Utilities Commission (the "Commission") by Black Hills Power, Inc. on January 4, 2001, the Commission has requested certain assurances. In response to the Commission's request, Union Bank does state as follows:

- 1) That Union Bank has reviewed the Borrowers' most recent regularly filed Certificate of Compliance, dated September 30, 2000, and has reviewed an interim Certificate of Compliance, dated January 15, 2001 provided by the Borrowers;
- 2) That based upon its review of the Certificates of Compliance furnished to Union Bank by the Borrowers, Union Bank is not aware of any currently existing non-compliance on the part of the Borrowers with the terms Credit Agreement;
- 3) That Union Bank is aware of the planned debt restructuring by the Borrowers; and
- 4) That Union Bank does not believe that any action taken in conjunction with, or as a result of, its planned debt restructuring, will cause the Borrowers to be in non-compliance with any debt covenants contained in the Credit Agreement.

Very Truly Yours,

UNION BANK OF CALIFORNIA, N.A.



By: ROBERT J. COLE  
Its: Vice President



Wells Fargo Bank South Dakota, N.A.  
825 Saint Joseph Street  
Post Office Box 1040  
Rapid City, SD 57709  
605 394-3800

January 26, 2001

South Dakota Public Utilities Commission  
State Capitol Building  
500 East Capitol Avenue  
Pierre, South Dakota 57501-5070

Re: Reorganization of Black Hills Corporation

Ladies and Gentlemen:

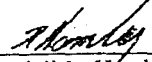
Reference is made to that certain Credit Agreement, dated November 21, 2000 (the "Credit Agreement"), by and among Black Hills Corporation (now known as "Black Hills Power, Inc.") and Black Hills Holding Corporation (now known as "Black Hills Corporation") as borrowers (the "Borrowers") and Wells Fargo Bank West, National Association as lender (the "Bank"), under which the Bank has committed to extend credit in a total amount of up to \$25,000,000 on a revolving loan basis to Borrowers, as joint and several debtors.

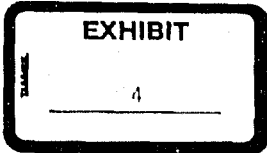
In connection with the Application filed with the South Dakota Public Utilities Commission (the "Commission") by Black Hills Power, Inc. on January 4, 2001, the Commission has requested certain assurances. In response to the Commission's request, the Bank does state as follows:

- 1) That the Bank has reviewed the Borrower's most recent regularly filed Certificate of Compliance, dated September 30, 2000, and has reviewed an interim Certificate of Compliance, dated January 5, 2001 provided by the Borrowers;
- 2) That based upon its review of the Certificate of Compliance furnished to the Bank by the Borrowers, the Bank is not aware of any currently existing non-compliance on the part of the Borrowers with the terms Credit Agreement;
- 3) That the Bank is aware of the planned debt restructuring by the Borrowers; and
- 4) That the Bank does believe that the Borrowers will not be in non-compliance with any debt covenants contained in the Credit Agreement.

Very Truly Yours,

WELLS FARGO BANK SOUTH DAKOTA  
NATIONAL ASSOCIATION

  
By: Randall L. Hamburg  
Its: Senior Vice President



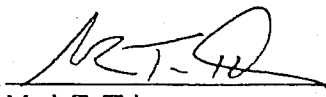
BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE APPLICATION )  
OF BLACK HILLS POWER, INC., ) DOCKET NO. EL01- 001  
REQUESTING AUTHORITY TO INCUR )  
SHORT-TERM DEBT )

OFFICER COMPLIANCE CERTIFICATE

1. I am the Senior Vice President and Chief Financial Officer of Black Hills Corporation (hereinafter "Company").
2. That I am primarily responsible for managing the Company's capital structure, including its short-term and long-term debt obligations.
3. That as it concerns the Company's existing short-term debt structure, the Company intends to have its existing short-term debt restructured on or before September 2, 2001, wherein the existing short-term debt as identified in the application in the above-referenced matter will be restructured so that it will all be at the holding company level of Black Hills Corporation.

Dated this 29th day of January, 2001.

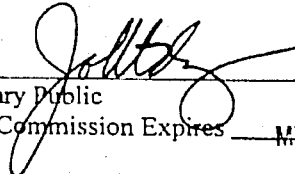
  
\_\_\_\_\_  
Mark T. Thies

STATE OF SOUTH DAKOTA  
COUNTY OF PENNINGTON

On the 29th day of January, 2001, before me, the undersigned officer, personally appeared Mark T. Thies, who acknowledged himself to be the Senior Vice President and Chief Financial Officer of Black Hills Corporation, a corporation, and that he, as such Senior Vice President and Chief Financial Officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as Senior Vice President and Chief Financial Officer.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.



  
\_\_\_\_\_  
Notary Public  
My Commission Expires MY COM. EXPIRES  
7/12/2001



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

IN THE MATTER OF THE APPLICATION OF	)	ORDER AUTHORIZING
BLACK HILLS POWER, INC. REQUESTING	)	UNLIMITED SHORT-TERM
AUTHORITY TO INCUR SHORT-TERM DEBT	)	DEBT
	)	
	)	EL01-001

On January 4, 2001, the Public Utilities Commission (Commission ) received an application from Black Hills Power, Inc. requesting authority to incur short-term debt. In Docket EL94-006, Black Hills Corporation (the predecessor-in-interest of Black Hills Power, Inc.) was relieved of the statutory limits of SDCL 49-34A-30, which prohibits a public utility from incurring short-term indebtedness of more than 5 percent of the par value of other securities of the public utility then outstanding, and was authorized to incur short-term debt of a total aggregate amount not to exceed 30% of its total capitalization.

Due to corporate restructuring, any advances made under credit facilities that are currently in place could cause Black Hills Power, Inc. to exceed the short-term debt limitations placed upon it in EL94-006. Prior to August 31, 2001, Black Hills Corporation anticipates putting in place new credit facilities at the holding company level which will relieve Black Hills Power, Inc. from any obligation it has upon the creation of new credit facilities. Black Hills Power, Inc. is seeking an Order approving and authorizing 1) that Black Hills Power, Inc., is released and relieved of any statutory obligations under SDCL 49-34A-30; 2) that Black Hills Power, Inc. is relieved of the short-term indebtedness limitations set forth in Docket EL94-006 concerning the Order authorizing it to incur short-term debt; and 3) that Black Hills Power, Inc. shall not be subject to any short-term debt limitations prior to September 2, 2001, and as of that date, shall then be obligated to a short-term indebtedness obligation of not more than 30% of Black Hills Power, Inc.'s total capitalization, which is its equity and long-term indebtedness.

At a duly noticed ad hoc meeting held on February 14, 2001, the Commission considered Black Hills Power, Inc.'s application. Commission Staff recommended that Black Hills Power, Inc. be relieved of the short-term indebtedness limitations set forth in Docket EL94-006 concerning the Order authorizing it to incur short-term debt; and that Black Hills Power, Inc. shall not be subject to any short-term debt limitations prior to September 2, 2001, and as of that date, shall then be obligated to a short-term indebtedness obligation of not more than 30% of Black Hills Power, Inc.'s total capitalization, which is its equity and long-term indebtedness.

The Commission has jurisdiction over this matter pursuant to SDCL Chapter 49-34A, specifically 49-34A-20 to 49-34A-34, inclusive. Pursuant to SDCL 49-34A-32, the Commission finds the following: the assumption is for a lawful object; it is within the corporate purposes of Black Hills Power, Inc. and compatible with the public interest; it is necessary or appropriate for or consistent with the proper performance by Black Hills

Power, Inc. of service as a public utility and will not impair its ability to perform that service, and it is reasonably necessary or appropriate for such purposes. It is therefore

ORDERED, that Black Hills Power, Inc. be relieved of the short-term indebtedness limitations set forth in Docket EL94-006 concerning the Order authorizing it to incur short-term debt; and that Black Hills Power, Inc. shall not be subject to any short-term debt limitations prior to September 2, 2001, and as of that date, shall then be obligated to a short-term indebtedness obligation of not more than 30% of Black Hills Power, Inc.'s total capitalization, which is its equity and long-term indebtedness; and it is

FURTHER ORDERED, that neither the assumption of debt by Black Hills Power, Inc. 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 debt assumed or guaranteed hereunder; and it is

FURTHER ORDERED, that the issuance of this order by the Commission authorizing the hereinabove described authority to incur short-term debt 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 appropriate proceedings; and it is

FURTHER ORDERED, that the assumption of short-term debt by Black Hills Power, Inc. pursuant to this Order is not construed to mean that the Commission is in any way prohibited at some future date from finding Black Hills Power, Inc.'s capital structure in need of adjustment.

Dated at Pierre, South Dakota, this 23<sup>rd</sup> day of February, 2001.

<b>CERTIFICATE OF SERVICE</b>
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: <u><i>William Kelso</i></u>
Date: <u>2/26/01</u>
(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

*James A. Burg*  
JAMES A. BURG, Chairman

*Pam Nelson*  
PAM NELSON, Commissioner

*Laska Schoenfelder*  
LASKA SCHOENFELDER, Commissioner



**Black Hills Corporation**

**Kyle D. White**

Vice President

Corporate Affairs

E-mail: [kwhite@bh-corp.com](mailto:kwhite@bh-corp.com)

625 Ninth Street • P.O. Box 1400

Rapid City, SD 57709-1400

P (605) 721-2313

F (605) 721-2599

September 4, 2001

Ms. Debra Elofson  
Executive Director  
South Dakota Public Utilities Commission  
500 East Capitol, First Floor  
Pierre, South Dakota 57501

Dear Ms. Elofson:

Subject: Final Compliance Under Docket EL01-001 Order Authorizing Unlimited Short-term Debt

The Order closing Docket EL01-001, granted Black Hills Power, Inc., until September 2, 2001, to restructure its utility short-term debt to be less than 30% of its total capitalization. We wish to inform the Commission that last week we accomplished our short-term debt restructuring and, once again, the utility's short-term debt is below 30% of its total capitalization. Although the restructuring was completed last week, the attached financial release announcing the changes was not issued until today.

We again want to express our appreciation for the Staff and Commission's support of our recent efforts to create the Black Hills Corporation holding company and the new corporation, Black Hills Power, Inc., which encompasses our regulated electric utility business.

If you have any questions regarding our compliance with the Commission's Order under Docket EL01-001, please feel free to contact me.

Sincerely,

Kyle D. White

KDW:MJH

c: Mark Thies, Chief Financial Officer  
Steve Helmers, General Counsel

RECEIVED

SEP 11 2001

SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION



**Black Hills Corporation**

PO Box 1400 - 625 Ninth Street  
Rapid City, SD 57709  
Phone: (605) 721-1700  
Fax: (605) 721-2599  
[www.blackhillscorp.com](http://www.blackhillscorp.com)

Contact: Mark T. Thies Dale  
T. Jahr  
Senior Vice President and  
Director of Investor Relations  
Chief Financial Officer (605)  
721-2326

## BLACK HILLS CORPORATION OBTAINS REVOLVING CREDIT FACILITY

RAPID CITY, SD—September 4, 2001—Black Hills Corporation (NYSE: BKH), today announced the completion of a \$400 million revolving credit facility. The facility replaces the Company's previous short-term credit lines, which totaled \$290 million at June 30, 2001.

The credit facility was arranged by ABN Amro Bank N.V., US Bank, N.A. and Union Bank of California, N.A., with ten other banks participating. The facility consists of two \$200 million tranches, one of which has a 364-day term and the other a three-year term.

Daniel P. Landguth, Chairman and CEO of Black Hills Corporation, said, "This credit facility represents the largest financing transaction in our Company's history. It will be used to advance our strategic agenda. We are pleased with the strong response from our partners in the financial community. Our initial request for a \$300 million facility was expanded to \$400 million, and we were still oversubscribed."

Black Hills Corporation ([www.blackhillscorp.com](http://www.blackhillscorp.com)) is a diverse energy and communications company with three business groups: Black Hills Energy Ventures, the independent energy unit which generates electricity and produces and markets natural gas, oil and coal; Black Hills Power, an electric utility serving western South Dakota, northeastern Wyoming and southeastern Montana; and Black Hills FiberCom, a broadband communications company offering bundled telephone, high speed Internet and cable entertainment services.

The above information includes "forward-looking statements" as defined by the Securities and Exchange Commission. These statements concern the Company's plans, expectations and objectives for future operations. All statements, other than statements of historical facts, included above that address activities, events or developments that the Company expects, believes or anticipates will or may occur in the future are forward-looking statements. The words *believe*, *intend*, *anticipate*, *estimate*, *aim*, *project* and similar expressions are also intended to identify forward-looking statements. These forward-looking statements may include, among others, such things as expansion and growth of the Company's business and operations; future financial performance; future acquisition and development of power plants; future production of coal, oil and natural gas; reserve estimates; future communications customers; and business strategy. These forward-looking statements are based on assumptions which the Company believes are reasonable based on current expectations and projections about future events and industry conditions and trends affecting the Company's business.

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However, whether actual results and developments will conform to the Company's expectations and predictions is subject to a number of risks and uncertainties which could cause actual results to differ materially from those contained in the forward-looking statements, including the following factors: prevailing governmental policies and regulatory actions with respect to allowed rates of return, industry and rate structure, acquisition and disposal of assets and facilities, operation and construction of plant facilities, recovery of purchased power and other capital investments, and present or prospective wholesale and retail competition; changes in and compliance with environmental and safety laws and policies; weather conditions; population growth and demographic patterns; competition for retail and wholesale customers; pricing and transportation of commodities; market demand, including structural market changes; changes in tax rates or policies or in rates of inflation; changes in project costs; unanticipated changes in operating expenses or capital expenditures; capital market conditions; counterparty credit risk; technological advances; competition for new energy development opportunities; legal and administrative proceedings that influence the Company's business and profitability; and unanticipated developments in the western power markets, including unanticipated governmental intervention, deterioration in the financial condition of counterparties, default on amounts due, adverse changes in current or future litigation and adverse changes in the tariffs of the California Independent System Operator Corporation. Any such forward-looking statements should be considered in conjunction with Black Hills Corporation's most recent annual report on Form 10-K and its interim quarterly reports on Form 10-Q on file with the Securities and Exchange Commission. New factors that could cause actual results to differ materially from those described in forward-looking statements emerge from time to time, and it is not possible for the Company to predict all such factors, or to the extent to which any such factor or combination of factors may cause actual results to differ from those contained in any forward-looking statement. The Company assumes no obligation to update publicly any such forward-looking statements, whether as a result of new information, future events, or otherwise.

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