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July 8, 2009

Mr. Dave Jacobson
South Dakota Public Utilities Commission
500 E. Capitol Ave.
Pierre, SD 57501-5070

RE: Updated Information for Black Hills Power Inc.'s Bond Application; Docket No. EL09-008

Dear Mr. Jacobson:

Enclosed for your review is information that updates the documents provided in Docket No. EL02-011.

1. First Supplemental Indenture dated August 13, 2002 to the Restated and Amended Indenture of Mortgage and Deed of Trust Dated September 1, 1999.
2. Black Hills Power, Inc.'s Resolution Approving Bond dated May 20, 2009
3. List of Officers for Black Hills Power, Inc.
4. Financial Information, which includes Financial Ratios, Balance Sheets and a Statement of Long Term Debt

In response to your other data requests regarding additional detail to the bonds we expect to offer, here are those details:

Offering Type	Maturity	Coupon	Gross Spread	All-In-Cost of Funds
Institutional	30-year*	7.50 – 8.00%	.75%	7.56-8.06%
Institutional	10-year*	7.00 – 7.50%	.75%	7.05-7.56%

* Baa1/BBB rated noncallable bond

The estimated costs of issuing the Bonds under an institutional offering are as follows:

Underwriters' spread	\$1,350,000
Legal fees, Trustee's fees cost and other	\$ 450,000
Total estimated costs	\$1,800,000

Black Hills plans on issuing the Bonds under a registered public institutional offering, it is anticipated that the Bonds will have a rating of no less than Baa1/BBB. Black Hills currently has the following ratings in effect on its First Mortgage Bonds and does not anticipate any impact on those ratings;

Baa1 by Moody's Investor Service
BBB by Standard & Poors

There have been no amendments to the Articles of Incorporation or Bylaws of Black Hills Power since they were filed in Docket No. EL02-011. The supplemental indenture for this bond offering is not available to be provided at this time, but the Company will supplement this filing when one is available.

Black Hills Power asserts that it holds all utility assets in entities that are separate and segregated from non-utility assets and entities; that all of its secured debt is used only for public utility purposes and that it does not extend credit, pledge assets, or guarantee debt or obligations to or for the benefit of its non-utility affiliates. Black Hills Power is compliant with SDCL §49-34A-107.

Please feel free to contact me or Chris Kilpatrick if you have any questions.

Sincerely,



Kenna J. Hagan
Associate Counsel

BLACK HILLS POWER, INC.

TO

JPMORGAN CHASE BANK,

As Trustee

FIRST

SUPPLEMENTAL INDENTURE

Dated as of August 13, 2002

Supplemental to Restated and Amended
Indenture of Mortgage and Deed of Trust
Dated as of September 1, 1999

First Mortgage Bonds, 7.23%
Series AE Due 2032

FIRST SUPPLEMENTAL INDENTURE, dated as of the 13th day of August, 2002, between Black Hills Power, Inc., a corporation duly organized and existing under the laws of the State of South Dakota (formerly known as Black Hills Corporation) (hereinafter called the "Company"), party of the first part, and JPMORGAN CHASE BANK, a corporation organized and existing under the laws of the State of New York, as Trustee under the Indenture hereinafter mentioned (hereinafter called the "Trustee"), party of the second part.

WHEREAS, in order to secure an authorized issue of First Mortgage Bonds of the Company, the Company has executed and delivered a Restated and Amended Indenture of Mortgage and Deed of Trust to JPMorgan Chase Bank f/k/a The Chase Manhattan Bank, as Trustee, dated as of September 1, 1999 (hereinafter referred to as the "Indenture"), which amended and restated the Indenture of Mortgage and Deed of Trust to Central Hanover Bank and Trust Company (the successor by various mergers of which is JPMorgan Chase Bank) hereinafter referred to as the "Original Indenture."

WHEREAS, pursuant to the provisions of the Indenture, First Mortgage Bonds have been duly issued under the Original Indenture and are presently outstanding and continue to be secured by the Indenture as follows:

<u>Series</u>	<u>Principal Amount Outstanding</u>
Series Y, 9.49%, due June 15, 2018	\$ 4,550,000
Series Z, 9.35%, due May 29, 2021	31,635,000
Series AA, 9.00%, due September 1, 2003	1,650,904
Series AB, 8.30%, due September 1, 2024	45,000,000
Series AC, 8.06%, due February 1, 2010	<u>30,000,000</u>
	\$112,835,904

; and

WHEREAS, as permitted by the Indenture, the Company, by resolutions of its Board of Directors duly adopted, has determined to create a new series of bonds to be known as its "First Mortgage Bonds, 7.23% Series AE Due 2032" (herein called the "Series AE Bonds"), to be initially authenticated and delivered in the aggregate principal amount of \$75,000,000 in the form, having the characteristics and being entitled to the benefits as in the Indenture or as in this Supplemental Indenture provided; and

WHEREAS, the Company, in exercise of the powers and authority conferred upon and reserved to it under and by virtue of the provisions of the Indenture, and particularly the provisions contained in Articles Two and Sixteen thereof, and pursuant to appropriate resolutions of its Board of Directors, has duly resolved and determined to make, execute and deliver to the Trustee a First Supplemental Indenture in the form hereof (herein sometimes referred to as "this Supplemental Indenture") for the purposes herein provided; and

WHEREAS, all conditions and requirements necessary to make this Supplemental Indenture a valid, binding and legal instrument in accordance with its terms have been done,

performed and fulfilled, and the execution and delivery hereof have been in all respects duly authorized;

NOW THEREFORE, in consideration of the premises and of one dollar to it duly paid by the Trustee at or before the ensealing and delivery of these presents, the receipt whereof is hereby acknowledged, and of other good and valuable consideration, in order to establish the terms of the Series AE Bonds, the Company hereby further covenants and agrees to and with the Trustee and its successors in the trust under the Indenture for the benefit of all those who shall from time to time hold the Series AE Bonds as follows:

The Company does hereby ratify and confirm its Mortgage and Pledge to the Trustee of all property described in the Indenture and does hereby grant, bargain, sell, release, convey, assign, transfer, mortgage, pledge and set over unto the Trustee, and to its successors and assigns forever, the following described property acquired by the Company and not specifically described under the Indenture which following described property shall be incorporated into the terms of Exhibit A to the Indenture as if more fully set forth therein:

LANDS IN BUTTE COUNTY, SOUTH DAKOTA

1. Tracts C, D and E of the Southeast Quarter (SE1/4) of Section Ten (10), Township Eight (8) North, Range Two (2) East of the Black Hills Meridian in the City of Belle Fourche, Butte County, South Dakota, as shown by the Plat recorded in Plat Book 5, Page 18, excepting therefrom that part of Tract C and Tract D deeded to Floyd Cooper, in instrument recorded December 22, 1949, in Book 137, Page 137; and also excepting therefrom that part of Tract C deeded to Albert W. Turbiville and Alice L. Turbiville, in instrument recorded October 24, 1961 in Book 156, Page 585 of the Butte County real estate records.

LANDS IN MEADE COUNTY, SOUTH DAKOTA

1. Lots Twenty-seven (27), Twenty-eight (28), Twenty-nine (29), and Thirty (30), in Block Four of Fort Meade Addition to Sturgis, in the County of Meade and State of South Dakota.
2. A parcel of land approximately 3.08 acres known as the BHP&L Utility Lot formerly a portion of lot four (4) of the Northeast Quarter of the Southeast Quarter (SE1/4) of Section Thirty-six (36), Township Five (5) North, Range Five (5) East of the Black Hills Meridian, in Meade County, South Dakota.
3. Plat of Piedmont Valley Substation Lot being a portion of Lot Eight (8), Block One (1), Coopers Subdivision located in the Northwest Quarter of the Northeast Quarter (NW1/4NE1/4), Section Fifteen (15), Township Three (3) North, Range Six (6) East of the Black Hills Meridian, in Meade County, South Dakota.

LANDS IN PENNINGTON COUNTY, SOUTH DAKOTA

1. A Forty (40) acre parcel described as the Southwest Quarter of the Southwest Quarter (SW1/4SW1/4) of Section Twenty-four (24), in Township One (1) North, Range Seven (7) East of the Black Hills Meridian in Pennington County, South Dakota excepting therefrom Highway 16 Bypass and also excepting therefrom Lot H1 as shown on the plat filed in Highway Plat Book 6, Page 22 of the Pennington County real estate records.
2. Lot Two (2) in Prairie Hills Subdivision, Rapid City, located in the Southwest Quarter of the Southwest Quarter (SW1/4SW1/4) of Section Nineteen (19), Township Two (2) North, Range Eight (8) East of the Black Hills Meridian, Pennington County, South Dakota.

ARTICLE ONE

DEFINITIONS

SECTION 1.01. General. For all purposes of this Supplemental Indenture:

- (a) capitalized terms used herein without definition shall have the meanings specified in the Indenture;
- (b) all references herein to Articles and Sections, unless otherwise specified, refer to the corresponding Articles and Sections of this Supplemental Indenture;
- (c) the terms "herein," "hereof," "hereunder" and other words of similar import refer to this Supplemental Indenture; and
- (d) in the event of a conflict between any definition set forth in the Indenture and any definition set forth in this Supplemental Indenture, the definition set forth in this Supplemental Indenture shall control.

SECTION 1.02. Definitions. The following definitions shall apply to this Supplemental Indenture:

"Business Day" means any day other than a Saturday or Sunday and other than a day on which banking institutions in Rapid City, South Dakota, or New York, New York, are authorized or obligated by law or executive order to close.

"Comparable Treasury Issue" means the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the Series AE Bonds to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Series AE Bonds.

"Comparable Treasury Price" means the average of two Reference Treasury Dealer Quotations obtained with respect to any redemption date.

"Depository" means The Depository Trust Company, a New York corporation, or any successor thereto.

"Global Bond" shall have the meaning set forth in Section 2.05(a).

"Independent Investment Banker" means ABN AMRO Incorporated or one of the Reference Treasury Dealers appointed by the Trustee after consultation with the Company.

"Reference Treasury Dealer" means ABN AMRO Incorporated and its successors; provided, however, that if ABN AMRO Incorporated or its successors shall cease to be a primary United States government securities dealer (a "Primary Treasury Dealer"), the Company will substitute for it another nationally recognized investment bank that is a Primary Treasury Dealer.

"Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Independent Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker at 5:00 p.m., New York City time, on the third Business Day preceding such redemption date.

"Treasury Rate" means, for any redemption date, (i) the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated "H.15(519)" or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity under the caption "Treasury Constant Maturities," for the maturity corresponding to the Comparable Treasury Issue (if no maturity is within three months before or after the remaining term of the Series AE Bonds, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue shall be determined and the Treasury Rate shall be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month) or (ii) if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price. The Treasury Rate shall be calculated on the third Business Day preceding the redemption date.

ARTICLE TWO

TERMS AND CONDITIONS OF SERIES AE BONDS

SECTION 2.01. General.

(a) There is hereby created a series of Bonds, known as and entitled "First Mortgage Bonds, 7.23% Series AE Due 2032," and the form thereof shall be as provided in this Supplemental Indenture.

(b) The aggregate principal amount of Series AE Bonds which may be authenticated and delivered and outstanding under the Indenture and this Supplemental Indenture shall be limited in aggregate principal amount to \$75,000,000, except as provided under Section 2.02 of the Indenture. The Series AE Bonds shall bear interest at the rate of 7.23% per annum until the principal thereof becomes due and payable and shall bear interest on overdue principal (including any overdue mandatory prepayment of principal) and premium, if any, and (to the extent legally enforceable) on any overdue installment of interest at the rate of 8.23% per annum until such overdue principal, premium or interest shall be paid. The Series AE Bonds shall mature August 15, 2032.

(c) The Series AE Bonds shall be registered Bonds without coupons in denominations of \$100,000 and any multiples of \$1,000 which may be executed by the Company and delivered to the Trustee for authentication and delivery. The date of commencement of the first interest period for the Series AE Bonds shall be the date of initial authentication and delivery thereof. The Series AE Bonds shall be dated as provided in Section 2.06 of the Indenture. All Series AE Bonds shall bear interest from their respective issue dates. The principal and interest shall be due and payable as provided in the Bond form set forth in Section 2.02 of this Supplemental Indenture. The principal of, premium, if any, and interest on the Series AE Bonds shall be payable at the principal corporate trust office of the Trustee, in the Borough of Manhattan, The City of New York, in any coin or currency of the United States of America which at the time of payment shall be legal tender for the payment of public and private debts. The Series AE Bonds shall be subject to redemption only as provided in Section 2.03 of this Supplemental Indenture and Section 8.08 of the Indenture.

(d) Without limiting the other indemnities provided to the Trustee, the Company shall indemnify and save the Trustee harmless from any liabilities and costs incurred by the Trustee arising out of the making of the final payment when due of the principal owing on any of the Series AE Bonds without the surrender of such Bond to the Trustee.

(e) The Trustee is hereby appointed Registrar in respect of the Series AE Bonds, and the principal corporate trust office of the Trustee in the Borough of Manhattan, The City of New York, is hereby designated as the office or agency of the Company in said Borough where notices or demands in respect of Series AE Bonds may be served.

SECTION 2.02. Form of Bonds. The text of the Series AE Bonds, and the certificate of authentication of the Trustee to be executed thereon, are to be substantially in the following forms, respectively:

[FORM OF GLOBAL BOND]

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the issuer or its agent for registration of transfer, exchange or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

Unless and until it is exchanged in whole or in part for Bonds in definitive registered form, this Bond may not be transferred except as a whole by the Depository to the nominee of the Depository or by a nominee of the Depository to the Depository or another nominee of the Depository or by the Depository or any such nominee to a successor Depository or a nominee of such successor Depository.

No. _____

\$ _____

CUSIP No. 092114 AA 5

BLACK HILLS POWER, INC.

FIRST MORTGAGE BOND, 7.23%
SERIES AE DUE 2032

BLACK HILLS POWER, INC. (hereinafter called the "Company"), a corporation organized and existing under the laws of the State of South Dakota, for value received, hereby promises to pay to _____, or registered assigns, on the 15th day of August, 2032, at the principal corporate trust office of the Trustee, in the Borough of Manhattan, The City of New York, _____ Dollars, in any coin or currency of the United States of America which at the time of payment shall be legal tender for the payment of public and private debts, and to pay interest thereon from the date hereof, at the rate of 7.23 percent, per annum (computed on the basis of a 360-day year of 12 thirty-day months), payable at said principal office of the Trustee in like coin or currency semi-annually on February 15 and August 15 in each year until the principal hereof shall have become due and payable, and thereafter if default be made in the payment of such principal and premium, if any, and on any overdue installment of interest, at the rate of 8.23 percent, per annum until the overdue principal, premium or interest shall be paid.

This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Trustee, or its successor as Trustee, under the Indenture.

This Bond is one of an authorized issue of Bonds of the Company known as its "First Mortgage Bonds," issued and to be issued in one or more series under, and all equally and ratably secured (except as any sinking, amortization, improvement, renewal or other analogous fund, established in accordance with the provisions of the Indenture hereinafter mentioned, may afford additional security for the Bonds of any particular series) by a Restated and Amended Indenture of Mortgage and Deed of Trust, dated as of September 1, 1999, executed by the Company to JPMorgan Chase Bank f/k/a The Chase Manhattan Bank, as Trustee, as supplemented and amended by a First Supplemental Indenture, dated August 13, 2002 (said Restated Indenture as so supplemented and amended being hereinafter collectively called the "Indenture"), to which Indenture and all further instruments supplemental thereto reference is hereby made for a description of the properties mortgaged and pledged, the nature and extent of the security, the rights of the holders of said Bonds and the coupons appurtenant to coupon Bonds, if any, and of the Trustee and of the Company in respect of such security, and the terms and conditions upon which said Bonds are and are to be issued and secured.

To the extent permitted by the Indenture and as provided therein, with the consent of the Company and upon the written consent or affirmative vote of at least sixty-six and two-thirds percent in principal amount of the Bonds then outstanding and entitled to consent, and of not less than sixty-six and two-third percent, in principal amount of the Bonds then outstanding and entitled to consent of each series affected thereby in case one or more but less than all of the series of Bonds issued under the Indenture are so affected, the rights and obligations of the Company and of the holders of Bonds and coupons appurtenant to coupon Bonds, if any, and the terms and provisions of the Indenture and of any instrument supplemental thereto may be modified from time to time, provided that no such modification or alteration shall be made which would postpone the date fixed herein or in the Indenture for the payment of the principal of, or any installment of interest on, the Bonds, or reduce the principal of, or the rate of interest payable on, the Bonds, or reduce the percentage of the principal amount of Bonds the consent of which is required for the authorization of any such modification or alteration, without the consent of all of the holders affected thereby. The rights, duties or immunities of the Trustee shall not be modified without the written consent of the Trustee.

As provided in the Indenture, said Bonds are issuable in series which may vary as in the Indenture provided or permitted. This Bond is one of a series of Bonds authorized by the First Supplemental Indenture and entitled "First Mortgage Bonds, 7.23% Series AE Due 2032" (the "Series AE Bonds").

Pursuant to the provisions of Section 8.05 of the Indenture, the Company may request the Trustee to apply moneys deposited with the Trustee ("Trust Moneys") for various reasons toward the redemption of those Bonds, including payment of premium and accrued interest, selected by the Company. In the First Supplemental Indenture, the Company has covenanted that the Bonds may only be called for redemption by the Company, as a whole at any time or in part from time to time, at a redemption price equal to the greater of (i) 100% of the principal amount of Series AE Bonds to be redeemed or (ii) the sum of the present values of the

remaining scheduled payments of principal and interest thereon (exclusive of interest accrued to the date of redemption) discounted, at the then current Treasury Rate (as defined in the Supplemental Indenture) plus 30 basis points, to the date of redemption on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) plus in each case, accrued and unpaid interest on the principal amount being redeemed to the date of redemption.

Notice of each redemption shall be mailed to all registered owners not less than thirty nor more than forty-five days before the redemption date.

Pursuant to the provisions of Section 8.08 of the Indenture, the Series AE Bonds are further subject to redemption, in whole or in part, by the Trustee applying certain Trust Moneys which have been held by the Trustee for a period of over two years. Any such redemption is made pro rata among the series of Bonds then outstanding in the ratio of principal amount. Redemption is at 100 percent of principal, plus any premium due at the time of redemption and accrued interest to the redemption date.

If this Bond or any portion thereof (\$1,000 or a multiple) shall be duly called for redemption as provided in the Indenture, this Bond or such portion thereof shall (unless the Company shall default in the payment of the redemption price) cease to bear interest from and after the date fixed for redemption.

Upon any partial redemption of this Bond, this Bond may, at the option of the registered holder hereof, be either (a) surrendered to the Trustee in exchange for one or more new Series AE Bonds for the principal amount of the unredeemed portion of this Bond or (b) submitted to the Trustee for notation hereon by the Trustee of the payment of the portion of the principal hereof so called for redemption.

If an Event of Default, as defined in the Indenture, shall occur, the principal of this Bond may become or be declared due and payable, in the manner and with the effect provided in the Indenture.

A certificate in global form representing all of a portion of the Bonds may not be transferred except as a whole by the Depository for such series to a nominee of such Depository or by a nominee of such Depository to such Depository or another nominee of such Depository or by such Depository or any such nominee to a successor Depository for such Bonds or a nominee of such successor Depository.

The Series AE Bonds are issuable as fully registered Bonds without coupons of the denominations of \$100,000 and any multiple of \$1,000 which may be executed by the Company and delivered to the Trustee for authentication and delivery. The Series AE Bonds, upon surrender thereof to the Trustee at its principal corporate trust office in the Borough of Manhattan, The City of New York, are exchangeable for other Bonds of the same series in such authorized denomination or denominations in the same aggregate principal amount, as may be requested by the holders surrendering the same.

The Company and the Trustee may deem and treat the person in whose name this Bond is registered as the absolute owner hereof, for the purpose of receiving payment of or on account of the principal hereof and interest due hereon, and neither the Company nor the Trustee

shall be affected by any notice to the contrary. Interest payable herein shall be paid to the person in whose name the Bond is registered at the close of business on February 1 or August 1 (whether or not on a business day) next preceding the interest payment date, except for defaulted interest and unmatured accrued interest on the Series AE Bonds called for redemption on a date other than an interest payment date.

No recourse shall be had for the payment of the principal of or the interest on this Bond, or for any claim based hereon or otherwise in respect hereof or of the Indenture or of any indenture supplemental thereto, against any incorporator, stockholder, director or officer, as such, past, present or future, of the Company or of any predecessor or successor corporation, either directly or through the Company or any predecessor or successor corporation, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or by any legal or equitable proceeding or otherwise howsoever; all such liability being, by the acceptance hereof and as a part of the consideration for the issuance hereof, expressly waived and released by every holder hereof, as more fully provided in the Indenture; provided, however, that nothing herein or in the Indenture contained shall be taken to prevent recourse to and the enforcement of the liability, if any, of any shareholder or any stockholder or subscriber to capital stock upon or in respect of shares of capital stock not fully paid up.

IN WITNESS WHEREOF, the Company has caused this Bond to be signed in its name by its President or one of its Vice Presidents, and its corporate seal to be impressed or imprinted hereon and attested by its Secretary or one of its Assistant Secretaries.

Dated:

BLACK HILLS POWER, INC.

By: _____

Name:

Title:

ATTEST:

Secretary

(FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION)

This is one of the Bonds, of the series designated therein, described in the within mentioned Indenture.

JPMORGAN CHASE BANK, as Trustee

By: _____
Authorized Officer

SECTION 2.03. Optional Redemption.

(a) Notwithstanding the provisions of Section 8.05 of the Indenture, the Series AE Bonds, upon the mailing of notice and in the manner provided in Section 10.03 of the Indenture, shall be redeemable at the option of the Company, as a whole at any time or in part from time to time, at a redemption price equal to the greater of (i) 100% of the principal amount of Series AE Bonds to be redeemed or (ii) the sum of the present values of the remaining scheduled payments of principal and interest thereon (exclusive of interest accrued to the date of redemption) discounted, at the then current Treasury Rate plus 30 basis points, to the date of redemption on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) plus in each case, accrued and unpaid interest on the principal amount being redeemed to the date of redemption.

(b) Notwithstanding the provisions of Section 10.03 of the Indenture, in case of the redemption at any time of less than all the outstanding Series AE Bonds, the particular Bonds or parts thereof to be redeemed shall be selected by the Trustee from the outstanding Series AE Bonds not previously called for redemption as nearly as practicable pro rata among the registered holders of the Series AE Bonds according to the respective principal amounts of such Bonds, provided that the portions of the principal of Series AE Bonds at any time so selected for redemption in part shall be equal to \$1,000 or a multiple thereof.

(c) Notwithstanding that Section 8.05 of the Indenture authorizes the Company to request the Trustee to apply Trust Moneys toward the redemption of Bonds to be selected by the Company, the Company does hereby covenant that the Company will not request the Trustee to apply any Trust Moneys to the redemption of the Series AE Bonds except pursuant to Section 2.03(a) of this Supplemental Indenture.

SECTION 2.04. No Sinking Fund. The Series AE Bonds are not entitled to the benefit of any sinking fund.

SECTION 2.05. Bonds to be Issued in Global Form.

(a) The Series AE Bonds will be initially represented by one or more Bonds in global form (the "Global Bonds"). The Company hereby designates The Depository Trust Company as the initial Depository for the Global Bonds. The Global Bonds will be deposited with the Trustee, as custodian for the Depository. Unless and until it is exchanged in whole or in part for Bonds in certificated form, the Global Bonds may not be transferred except as a whole by the Depository to a nominee of the Depository or by a nominee of the Depository to the Depository or another nominee of the Depository or by the Depository or any such nominee to a successor Depository for the Bonds or a nominee of such successor Depository. The Depository may surrender the Global Bonds in exchange in whole or in part for Bonds in certificated form on such terms as are acceptable to the Company and the Depository.

(b) If at any time the Depository for the Global Bonds notifies the Company that it is unwilling or unable to continue as Depository for such Global Bonds or if at any time the Depository for the Series AE Bonds shall no longer be eligible or in good standing under the Securities Exchange Act of 1934, as amended, or other applicable statute or regulation, the Company shall appoint a successor Depository with respect to such Global Bonds. If a successor Depository for such Global Bonds is not appointed by the Company within 90 days after the Company receives notice or becomes aware of such ineligibility, the Series AE Bonds shall no longer be represented by Global Bonds and, subject to Section 2.07 of the Indenture, the Company will execute, and the Trustee, upon receipt of a Written Order of the Company for the authentication and delivery of individual Bonds in exchange for such Global Bonds, will authenticate and deliver individual Bonds of like tenor and terms in definitive form in an aggregate principal amount equal to the principal amount of such Global Bonds in exchange for such Global Bonds.

(c) The Company may at any time and in its sole discretion determine that the Series AE Bonds issued or issuable in the form of one or more Global Bonds shall no longer be represented by such Global Bond or Bonds. In such event, subject to Section 2.07 of the Indenture, the Company will execute, and the Trustee, upon receipt of a Written Order of the Company for the authentication and delivery of individual Bonds in exchange in whole or in part for such Global Bonds, will authenticate and deliver individual Bonds of like tenor and terms in definitive form in an aggregate principal amount equal to the principal amount of such Global Bonds in exchange for such Global Bonds.

(d) In any exchange provided for in Section 2.05(b) or (c), the Company will execute and the Trustee will authenticate and deliver individual Bonds in definitive registered form in authorized denominations. Upon the exchange of Global Bonds for individual Bonds, such Global Bonds shall be canceled by the Trustee. Series AE Bonds issued in exchange for Global Bonds pursuant to this Section 2.05 shall be registered in such names and in such authorized denominations as the Depository for such Global Bonds, pursuant to instructions from its direct or indirect participants or otherwise, shall instruct the Trustee. The Trustee shall deliver such Bonds to the Persons in whose names such Bonds are so registered.

ARTICLE THREE

MISCELLANEOUS

SECTION 3.01. Outstanding Bonds. The aggregate principal amount of Bonds which, immediately after the authentication and delivery of the Series AE Bonds to be issued under this Supplemental Indenture, will be outstanding under the provisions of, and secured by, the Indenture, as amended by this Supplemental Indenture, will be \$187,835,904, consisting of the Bonds of Series Y, Z, AA, AB and AC hereinbefore set forth in the second recital of this Supplemental Indenture and \$75,000,000 aggregate principal amount of Series AE Bonds hereby created.

SECTION 3.02. Receipt of Supplemental Indenture. The Company, by the execution hereof, acknowledges that a true copy of this Supplemental Indenture has been delivered to and received by it.

SECTION 3.03. Ratification of Indenture. Except as amended by this Supplemental Indenture, all the provisions, terms and conditions of the Indenture shall continue in full force and effect. The Company does hereby ratify and confirm its mortgage and pledge to the Trustee of that property, real, personal and mixed described in the Indenture as being subject to the Lien of the Indenture.

SECTION 3.04. Sufficiency of Supplemental Indenture. The Trustee makes no representation as to the validity or sufficiency of this Supplemental Indenture.

SECTION 3.05. Counterparts. This Supplemental Indenture may be executed in several counterparts, all or any of which may be treated for all purposes as one original and shall constitute and be one and the same instrument.

SECTION 3.06. Governing Law. This Supplemental Indenture and each Series AE Bond shall be governed by and construed in accordance with the laws of the State of South Dakota without regard to the choice of law principles thereof. Notwithstanding the foregoing, the immunities and standard of care of the Trustee, Registrar and paying agent in connection with the administration of trusts and duties hereunder shall be governed by and construed in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, BLACK HILLS POWER, INC., party hereto of the first part, has caused this Supplemental Indenture to be executed on its behalf by its Chairman of the Board or its President or one of its Vice Presidents and its corporate seal to be hereto affixed and to be attested by its Secretary or an Assistant Secretary, and JPMORGAN CHASE BANK, party hereto of the second part, in evidence of its acceptance of the trust hereby created, has caused this Supplemental Indenture to be executed on its behalf by one of its Vice Presidents or Assistant Vice Presidents and its corporate seal to be hereto affixed and to be attested by a Trust Officer, all as of the day and year first above written.

BLACK HILLS POWER, INC.

By: _____

Name:

Title:

ATTEST:

Secretary

Signed, sealed and delivered by
BLACK HILLS POWER, INC.
in the presence of:

JPMORGAN CHASE BANK, as Trustee

By: _____

Name:

Title:

ATTEST:

Trust Officer

Signed, sealed and delivered by
JPMORGAN CHASE BANK, as Trustee
in the presence of:

**RESOLUTION
OF
BLACK HILLS POWER, INC.**

MAY 20, 2009

Issuance of Black Hills Power First Mortgage Bonds

Messrs. Cleberg and Anderson proposed that Black Hills Power, Inc. (the "Corporation") issue up to \$180 million of First Mortgage Bonds. The proceeds would be used to fund the Wygen III power plant and repay the \$30 million First Mortgage Bonds, Series AC, which mature in February 2010. A thorough discussion was held concerning interest rates and the maturity date for the proposed bonds. After the discussion, a motion was duly made, seconded and carried approving the following resolutions.

WHEREAS, the officers of Black Hills Corporation, the Corporation's parent company, in conjunction with its auditors and legal counsel, previously prepared and filed with the Securities and Exchange Commission (the "Commission") a Registration Statement on Form S-3 (the "Registration Statement") for the purpose of registering under the Securities Act of 1933, as amended (the "Securities Act"), the issuance in one or more series of issuances from time to time, together or separately, of an indeterminate amount of debt securities, equity securities, warrants, purchase contracts and units of the Corporation, which Registration Statement became effective immediately upon filing with the Commission; and

WHEREAS, the officers of the Corporation and of Black Hills Corporation, in conjunction with its auditors and legal counsel, are preparing a Post-Effective Amendment to the Registration Statement (the "Amendment"), for the purpose of (i) adding the Corporation as an additional registrant under the Registration Statement and (ii) registering under the Securities Act the issuance, in one or more series of issuances from time to time, together or separately, of an indeterminate amount of first mortgage bonds of the Corporation; and

WHEREAS, the Board of Directors of the Corporation deems it in the best interests of the Corporation to authorize the offer and sale of up to \$180 million in aggregate principal amount of the Corporation's First Mortgage Bonds (the "Mortgage Bonds") in a primary public offering (the "Offering") and pursuant to the terms and conditions of an Underwriting Agreement (the "Underwriting Agreement") between the Corporation and the underwriters named therein (the "Underwriters"); and

WHEREAS, the Board of Directors deems it in the best interests of the Corporation to proceed with the offer and sale of the Mortgage Bonds contemplated and described herein;

NOW, THEREFORE, BE IT

RESOLVED, that in accordance with, and subject to the conditions of the Offering described in the Amendment, as supplemented by any prospectus filed with the Commission pursuant to Rule 424 of the Rules and Regulations of the Commission, the Mortgage Bonds be, and the same hereby are, authorized and approved for issuance and sale;

FURTHER RESOLVED, that the Chairman and Chief Executive Officer, any Executive or Senior Vice President or the Vice President – Treasurer and Chief Risk Officer of the Corporation (the "Authorized Officers") be, and each of them individually hereby is, authorized and empowered to negotiate, execute and deliver, for and on behalf of the Corporation, the Underwriting Agreement with the Underwriters, covering the sale by the Corporation and the purchase by the Underwriters of the Mortgage Bonds, containing such additional terms and conditions, including without limitation the aggregate principal amount of the Mortgage Bonds sold to the Underwriters (provided such amount shall not be in excess of \$180 million), the selling price of the Mortgage Bonds to the Underwriters (which shall also be approved by a Pricing Committee as defined below) and the underwriting discount, as the officers acting may deem necessary, advisable or appropriate;

FURTHER RESOLVED, that David R. Emery, Jack W. Eugster, Warren L. Robinson and John B. Vering are named members of a Pricing Committee for the sole purpose of approving the terms and pricing of the Mortgage Bonds (the "Pricing Committee");

FURTHER RESOLVED, that the Authorized Officers, with the assistance of legal counsel be, and each of them individually hereby is, authorized, empowered and directed to prepare and file with the Commission the Amendment, together with all necessary exhibits thereto, pursuant to the requirements of the Securities Act and the rules and regulations of the Commission promulgated thereunder;

FURTHER RESOLVED, that the Authorized Officers be, and each of them individually hereby is, further authorized and empowered, for and on behalf of the Corporation, to prepare, execute and file or cause to be filed with the Commission any and all additional amendments to the Registration Statement and supplements to the prospectus constituting a part of the Registration Statement (the "Prospectus"), which the officers so acting deem necessary, advisable or appropriate, and to do any and all acts and things necessary, advisable or appropriate for the continuation of the effectiveness thereof;

FURTHER RESOLVED, that the Authorized Officers be, and each of them individually hereby is, further authorized and empowered, for and on behalf of the Corporation, to prepare and file or cause to be filed with the Commission, pursuant to Rule 424 of the Rules and Regulations of the Commission, as necessary, copies of the Prospectus and any prospectus supplements in the preliminary and final forms used after the effective date of the Amendment;

FURTHER RESOLVED, that the Corporation create an issue of Mortgage Bonds limited to the aggregate principal amount of up to \$180 million to be issued under the Restated and Amended Indenture and Deed of Mortgage of the Corporation dated as of September 1, 1999, as amended by the First Supplemental Indenture dated August 13, 2002 (collectively, the "Indenture"), as provided in the Indenture Supplement (as hereinafter authorized and defined);

FURTHER RESOLVED, that the form, terms and provisions of the proposed Second Supplemental Indenture (the "Indenture Supplement") to be entered into between the Corporation and The Bank of New York Mellon (the "Bank"), relating to the Mortgage Bonds be, and they hereby are, ratified, confirmed and approved; and that the Authorized Officers be, and each of them individually hereby is, authorized to execute and deliver, in the name and on behalf of the Corporation, the Indenture Supplement, bearing substantially those terms as are described in the prospectus supplement related to any offer and sale of the Mortgage Bonds, with such changes therein as the officer executing the Indenture Supplement on behalf of the Corporation shall deem proper, such execution of the Indenture Supplement by such officer to be conclusive evidence that such officer deems all of the terms and provisions thereof to be proper; and that the Authorized Officers be, and each of them individually hereby is, authorized and directed to act on behalf of the Corporation in fixing the date of maturity of the Mortgage Bonds and the interest rate, redemption prices and other specific terms thereof on the Mortgage Bonds in such percentages and dollar amounts as such officer deems to be proper, such approval by such officer to be conclusively evidenced by his execution and delivery thereof;

FURTHER RESOLVED, that, the Authorized Officers be, and each hereby is, authorized and directed to cause up to \$180 million principal amount of the First Mortgage Bonds, Series AF, due _____, to be executed on behalf of and in the corporate name and under the corporate seal of the Corporation, attested by the Secretary or any Assistant Secretary, and to be delivered to the Bank, as Trustee, under the Indenture and the Indenture Supplement for authentication and delivery by such Trustee in accordance with Article Four of the Indenture, and the Trustee is hereby requested to

authenticate and deliver the Mortgage Bonds in accordance with Article Four of the Indenture;

FURTHER RESOLVED, that the officers of the Corporation be, and each of them individually hereby is, authorized and empowered, for and on behalf of the Corporation, to prepare, execute and file or cause to be filed such documents as are necessary to certify the property additions authorized above and to subject such property additions to the lien of the Indenture;

FURTHER RESOLVED, that the Bank's appointment to act as Trustee with respect to the Mortgage Bonds under the Indenture and the Indenture Supplement (the "Trustee") be, and it hereby is, approved, ratified and confirmed;

FURTHER RESOLVED, that the Authorized Officers be, and each of them individually hereby is, authorized and directed to (i) sell and issue the Mortgage Bonds to the Underwriters in the manner and for the consideration provided in the Underwriting Agreement, (ii) execute the Mortgage Bonds either manually or by affixing thereto facsimile signatures of such officers, or any of them, and affixing the facsimile seal of the Corporation, (iii) deliver and cause the Trustee to authenticate the Mortgage Bonds, (iv) deposit the Mortgage Bonds with The Depository Trust Company ("DTC") and execute and deliver to DTC, in the name and on behalf of the Corporation, appropriate letters of representation and global certificates representing the issued Mortgage Bonds, and (v) take such other action as may appear necessary or advisable in connection therewith;

FURTHER RESOLVED, that, in the event certificated Mortgage Bonds are required to be issued under the terms of the Indenture or Indenture Supplement, the facsimile signatures of the Authorized Officers and Secretary or any Assistant Secretary be, and hereby are, adopted as the signatures to be affixed to the Mortgage Bonds in the name and on behalf of the Corporation; and that a facsimile of the seal of the Corporation shall be imprinted on the Mortgage Bonds, which facsimile is hereby acknowledged to be the seal of the Corporation for the purpose of en-sealing the Mortgage Bonds;

FURTHER RESOLVED, that it is desirable and in the best interest of the Corporation that the Mortgage Bonds be qualified or registered for sale in various states, provinces and other jurisdictions; that the Authorized Officers and the Secretary or an Assistant Secretary, and each of them individually hereby is, authorized to determine the states, provinces and other jurisdictions in which the appropriate action shall be taken to qualify or register for sale of all or such part of the Mortgage Bonds of the

Corporation as said officers may deem advisable; that said officers are hereby authorized to perform on behalf of the Corporation any and all such acts as they deem necessary or advisable in order to comply with the applicable laws of any such states, provinces and other jurisdictions, and in connection therewith to execute and file all requisite papers and documents, including, but not limited to, applications, reports, surety bonds, irrevocable consents and appointments of attorneys for service of process; and the execution by such officers of any such paper or document or the doing by them of any act in connection with the foregoing matters shall conclusively establish their authority therefore from the Corporation and the approval and ratification by the Corporation of the papers and documents so executed and the action so taken;

FURTHER RESOLVED, that nothing in the foregoing Resolution shall authorize any officer or employee of the Corporation, by virtue of the proposed offerings, to enter a general consent to service of process in any such jurisdiction, to subject the Corporation to the status of doing business as a foreign corporation in any such jurisdiction, or to qualify the Corporation to do business as a foreign corporation in any such jurisdiction;

FURTHER RESOLVED, that the appointment pursuant to the regulations of the Commission of Steven J. Helmers as Agent for Service to be named in the Amendment with all of the powers set forth in such regulations be, and it hereby is, approved, ratified and confirmed in all respects;

FURTHER RESOLVED, that the designation of David R. Emery and Anthony S. Cleberg as attorneys-in fact of the Corporation with each of them acting singly, having the authority to execute and file for and in the name of the Corporation the Amendment and any additional amendments or supplements to the Registration Statement, be, and it hereby is, approved and confirmed in all respects; and the officers of the Corporation be, and each of them individually hereby is, authorized to execute and deliver an appropriate power of attorney reflecting the designation and authorization hereby approved and confirmed, if the same be required;

FURTHER RESOLVED, that the corporate trust office (as defined in the Indenture or the Indenture Supplement, as the case may be) of the Bank is hereby appointed the agency of the Corporation at which the Mortgage Bonds may be presented for payment, and where notices and demands to or upon the Corporation in respect to the Mortgage Bonds and the Indenture and Indenture Supplement may be served and at which the Mortgage Bonds may be exchanged and registered for transfer, as provided in the Mortgage Bonds and the Indenture and Indenture Supplement, as the case may be, and that the officers of the Corporation be, and each of them

individually hereby is, authorized to enter into such agreement with the Bank with respect to such agency as the officer taking such action shall deem to be proper or as may be required by the Indenture or the Indenture Supplement;

FURTHER RESOLVED, that the engagement of the law firm of Conner & Winters, LLP, of Tulsa, Oklahoma, to serve as counsel for the Corporation, and the engagement of the independent registered public accounting firm of Deloitte & Touche LLP, to serve as the Corporation's auditors, in connection with the preparation and filing of the Amendment and all matters related thereto, including the Offering, be, and the same hereby are, ratified, approved and adopted;

FURTHER RESOLVED, that the officers of the Corporation be, and each of them individually hereby is, authorized and empowered to engage, for and on behalf of the Corporation, a financial printer to print the Prospectus and any prospectus supplements, the Amendment and such other documents which may be required to be printed;

FURTHER RESOLVED, that the officers of the Corporation be, and each of them individually hereby is, authorized and directed to pay, for and on behalf of the Corporation, the expenses connected with the preparation of the Prospectus and any prospectus supplements and the preparation and filing of the Amendment; and

FURTHER RESOLVED, that without in any way limiting the authority heretofore granted to the officers of the Corporation, individually, or that may have been otherwise conferred upon them, the officers of the Corporation be, and each of them individually hereby is, authorized and empowered to do and perform all such acts and things and to execute and deliver any and all documents and instruments and to take any and all such actions as they may deem necessary, desirable or proper in order to carry out the intent and purpose of the foregoing resolutions and to fully perform the provisions of the aforesaid agreements and instruments, and to incur on behalf of the Corporation all such expenses and obligations in connection therewith as they may deem proper.

BLACK HILLS POWER, INC.
LIST OF OFFICERS

OFFICER	TITLE
David R. Emery 625 Ninth Street Rapid City, SD 57701	Chairman and Chief Executive Officer
Linden R. Evans 625 Ninth Street Rapid City, SD 57701	President and Chief Operating Officer – Utilities
Anthony S. Cleberg 625 Ninth Street Rapid City, SD 57701	Executive Vice President and Chief Financial Officer (also Assistant Treasurer and Assistant Secretary)
Steven J. Helmers 625 Ninth Street Rapid City, SD 57701	Senior Vice President, General Counsel and Chief Compliance Officer (also Assistant Secretary)
Robert A. Myers 1815 Capitol Avenue Omaha, NE 68102	Senior Vice President – Human Resources
Scott A. Buchholz 1815 Capitol Avenue Omaha, NE 68102	Senior Vice President – Chief Information Officer
Lynnette K. Wilson 350 Indiana Street, Suite 400 Golden, CO 80401	Senior Vice President – Communications and Investor Relations
Roxann R. Basham 625 Ninth Street Rapid City, SD 57701	Vice President – Governance and Corporate Secretary
Perry S. Krush 625 Ninth Street Rapid City, SD 57701	Vice President – Supply Chain
Jeffrey B. Berzina 625 Ninth Street Rapid City, SD 57701	Vice President – Corporate Controller
Garner M. Anderson 625 Ninth Street Rapid City, SD 57701	Vice President, Treasurer and Chief Risk Officer
Kyle D. White 625 Ninth Street Rapid City, SD 57701	Vice President – Regulatory and Governmental Affairs

OFFICER	TITLE
Richard W. Kinzley 625 Ninth Street Rapid City, SD 57701	Vice President – Strategic Planning and Development
Stuart A. Wevik 625 Ninth Street Rapid City, SD 57701	Vice President – Electric Utilities
Mark L. Lux 350 Indiana Street, Suite 400 Golden, CO 80401	Vice President – Power Delivery
Gregory L. Hager 13151 Hwy 51 Gillette, WY 82716	Vice President and General Manager – Gillette Complex
Randy D. Winkelman 625 Ninth Street Rapid City, SD 57701	Vice President – Customer Service
Richard C. Loomis 625 Ninth Street Rapid City, SD 57701	Vice President – Operations
Brian G. Iverson 625 Ninth Street Rapid City, SD 57701	Vice President – Electric Regulatory Services

Black Hills Power
Debt and Equity Structure

	As of March 31, 2009	Pro Forma Adjustment		Pro Forma Adjustment	Adjusted Total March 31, 2010
LONG-TERM DEBT					
221 Long-Term Debt (Bonds)	129,455,000	180,000,000	1	(30,000,000)	279,455,003
224 Other Long-Term Debt	21,739,326				21,739,326
Total Long-Term Debt	<u>151,194,326</u>	<u>180,000,000</u>		<u>(30,000,000)</u>	<u>301,194,329</u>
EQUITY					
201 Common Stock	23,416,396				23,416,396
207 Premium on Capital Stock	42,076,811				42,076,811
214 Capital Stock Expense	2,501,882				2,501,882
216 Retained Earnings	200,245,193				200,245,193
Total Equity	<u>268,240,282</u>				<u>268,240,282</u>
TOTAL CAPITALIZATION	<u><u>419,434,608</u></u>				<u><u>569,434,611</u></u>
Capitalization Ratio					
Debt %	36.05%				52.89%
Equity %	<u>63.95%</u>				<u>47.11%</u>
	100.00%				100.00%

Pro Forma Adjustments:

1 Issuance of \$180MM first mortgage bonds

2 Payment of Series AC first mortgage bonds due February 1, 2010.

COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	UTILITY PLANT			
2	Utility Plant (101-106, 114)	200-201	716,511,359	705,864,624
3	Construction Work in Progress (107)	200-201	175,606,574	144,966,114
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)		892,117,933	850,830,738
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	200-201	304,566,462	300,066,347
6	Net Utility Plant (Enter Total of line 4 less 5)		587,551,471	550,764,391
7	Nuclear Fuel in Process of Ref., Conv., Enrich., and Fab. (120.1)	202-203	0	0
8	Nuclear Fuel Materials and Assemblies-Stock Account (120.2)		0	0
9	Nuclear Fuel Assemblies in Reactor (120.3)		0	0
10	Spent Nuclear Fuel (120.4)		0	0
11	Nuclear Fuel Under Capital Leases (120.6)		0	0
12	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	202-203	0	0
13	Net Nuclear Fuel (Enter Total of lines 7-11 less 12)		0	0
14	Net Utility Plant (Enter Total of lines 6 and 13)		587,551,471	550,764,391
15	Utility Plant Adjustments (116)		0	0
16	Gas Stored Underground - Noncurrent (117)		0	0
17	OTHER PROPERTY AND INVESTMENTS			
18	Nonutility Property (121)		5,618	5,618
19	(Less) Accum. Prov. for Depr. and Amort. (122)		3,956	3,956
20	Investments in Associated Companies (123)		0	0
21	Investment in Subsidiary Companies (123.1)	224-225	0	0
22	(For Cost of Account 123.1, See Footnote Page 224, line 42)			
23	Noncurrent Portion of Allowances	228-229	0	0
24	Other Investments (124)		144,707	147,402
25	Sinking Funds (125)		0	0
26	Depreciation Fund (126)		0	0
27	Amortization Fund - Federal (127)		0	0
28	Other Special Funds (128)		4,091,633	3,998,814
29	Special Funds (Non Major Only) (129)		0	0
30	Long-Term Portion of Derivative Assets (175)		0	0
31	Long-Term Portion of Derivative Assets - Hedges (176)		0	0
32	TOTAL Other Property and Investments (Lines 18-21 and 23-31)		4,238,002	4,147,878
33	CURRENT AND ACCRUED ASSETS			
34	Cash and Working Funds (Non-major Only) (130)		0	0
35	Cash (131)		615,951	0
36	Special Deposits (132-134)		0	0
37	Working Fund (135)		4,175	4,175
38	Temporary Cash Investments (136)		0	0
39	Notes Receivable (141)		14,440	14,335
40	Customer Accounts Receivable (142)		13,282,155	18,577,176
41	Other Accounts Receivable (143)		905,075	2,113,486
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)		370,830	370,000
43	Notes Receivable from Associated Companies (145)		0	0
44	Accounts Receivable from Assoc. Companies (146)		2,943,878	12,619,270
45	Fuel Stock (151)	227	7,269,678	7,336,132
46	Fuel Stock Expenses Undistributed (152)	227	0	0
47	Residuals (Elec) and Extracted Products (153)	227	0	0
48	Plant Materials and Operating Supplies (154)	227	12,079,342	11,861,073
49	Merchandise (155)	227	0	0
50	Other Materials and Supplies (156)	227	-300	0
51	Nuclear Materials Held for Sale (157)	202-203/227	0	0
52	Allowances (158.1 and 158.2)	228-229	0	0

COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)(Continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
53	(Less) Noncurrent Portion of Allowances		0	0
54	Stores Expense Undistributed (163)	227	222,281	112,032
55	Gas Stored Underground - Current (164.1)		0	0
56	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)		0	0
57	Prepayments (165)		981,364	1,308,218
58	Advances for Gas (166-167)		0	0
59	Interest and Dividends Receivable (171)		0	0
60	Rents Receivable (172)		0	0
61	Accrued Utility Revenues (173)		5,677,926	5,390,697
62	Miscellaneous Current and Accrued Assets (174)		0	0
63	Derivative Instrument Assets (175)		0	0
64	(Less) Long-Term Portion of Derivative Instrument Assets (175)		0	0
65	Derivative Instrument Assets - Hedges (176)		0	0
66	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176)		0	0
67	Total Current and Accrued Assets (Lines 34 through 66)		43,625,135	58,966,594
68	DEFERRED DEBITS			
69	Unamortized Debt Expenses (181)		1,271,556	1,289,597
70	Extraordinary Property Losses (182.1)	230a	0	0
71	Unrecovered Plant and Regulatory Study Costs (182.2)	230b	0	0
72	Other Regulatory Assets (182.3)	232	36,908,324	35,832,652
73	Prelim. Survey and Investigation Charges (Electric) (183)		166,918	0
74	Preliminary Natural Gas Survey and Investigation Charges 183.1)		0	1,035,817
75	Other Preliminary Survey and Investigation Charges (183.2)		0	0
76	Clearing Accounts (184)		834,164	309,222
77	Temporary Facilities (185)		0	0
78	Miscellaneous Deferred Debits (186)	233	648,015	370,257
79	Def. Losses from Disposition of Utility Plt. (187)		0	0
80	Research, Devel. and Demonstration Expend. (188)	352-353	0	0
81	Unamortized Loss on Reaquired Debt (189)		2,326,710	2,366,830
82	Accumulated Deferred Income Taxes (190)	234	16,228,192	16,252,528
83	Unrecovered Purchased Gas Costs (191)		0	0
84	Total Deferred Debits (lines 69 through 83)		58,383,879	57,456,903
85	TOTAL ASSETS (lines 14-16, 32, 67, and 84)		693,798,487	671,335,766

Name of Respondent Black Hills Power, Inc.	FERC PDF (Unofficial) This Report is for 2009 (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (mo, da, yr) 05/28/2009	Year/Period of Report end of 2009/Q1
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COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
1	PROPRIETARY CAPITAL			
2	Common Stock Issued (201)	250-251	23,416,396	23,416,396
3	Preferred Stock Issued (204)	250-251	0	0
4	Capital Stock Subscribed (202, 205)		0	0
5	Stock Liability for Conversion (203, 206)		0	0
6	Premium on Capital Stock (207)		42,076,811	42,076,811
7	Other Paid-In Capital (208-211)	253	0	0
8	Installments Received on Capital Stock (212)	252	0	0
9	(Less) Discount on Capital Stock (213)	254	0	0
10	(Less) Capital Stock Expense (214)	254b	2,501,882	2,501,882
11	Retained Earnings (215, 215.1, 216)	118-119	200,245,193	193,281,126
12	Unappropriated Undistributed Subsidiary Earnings (216.1)	118-119	0	0
13	(Less) Reaquired Capital Stock (217)	250-251	0	0
14	Noncorporate Proprietorship (Non-major only) (218)		0	0
15	Accumulated Other Comprehensive Income (219)	122(a)(b)	-1,338,189	-1,348,641
16	Total Proprietary Capital (lines 2 through 15)		261,898,329	254,923,810
17	LONG-TERM DEBT			
18	Bonds (221)	256-257	129,455,000	129,455,000
19	(Less) Reaquired Bonds (222)	256-257	0	0
20	Advances from Associated Companies (223)	256-257	0	0
21	Other Long-Term Debt (224)	256-257	21,739,326	21,753,899
22	Unamortized Premium on Long-Term Debt (225)		0	0
23	(Less) Unamortized Discount on Long-Term Debt-Debit (226)		0	0
24	Total Long-Term Debt (lines 18 through 23)		151,194,326	151,208,899
25	OTHER NONCURRENT LIABILITIES			
26	Obligations Under Capital Leases - Noncurrent (227)		0	0
27	Accumulated Provision for Property Insurance (228.1)		0	0
28	Accumulated Provision for Injuries and Damages (228.2)		0	0
29	Accumulated Provision for Pensions and Benefits (228.3)		0	0
30	Accumulated Miscellaneous Operating Provisions (228.4)		0	0
31	Accumulated Provision for Rate Refunds (229)		0	0
32	Long-Term Portion of Derivative Instrument Liabilities		0	0
33	Long-Term Portion of Derivative Instrument Liabilities - Hedges		0	0
34	Asset Retirement Obligations (230)		0	0
35	Total Other Noncurrent Liabilities (lines 26 through 34)		0	0
36	CURRENT AND ACCRUED LIABILITIES			
37	Notes Payable (231)		0	0
38	Accounts Payable (232)		27,713,853	25,567,740
39	Notes Payable to Associated Companies (233)		85,672,884	70,183,866
40	Accounts Payable to Associated Companies (234)		4,711,542	10,411,146
41	Customer Deposits (235)		685,828	669,713
42	Taxes Accrued (236)	262-263	7,674,813	4,992,767
43	Interest Accrued (237)		2,309,661	3,447,977
44	Dividends Declared (238)		0	0
45	Matured Long-Term Debt (239)		0	0

Name of Respondent Black Hills Power, Inc.	FERC PDF (Unofficial) 2009-05-28/2009-05-28	This Report is (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (mo, da, yr) 05/28/2009	Year/Period of Report end of 2009/Q1
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COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS) (Continued)

Line No.	Title of Account (a)	Ref. Page No. (b)	Current Year End of Quarter/Year Balance (c)	Prior Year End Balance 12/31 (d)
46	Matured Interest (240)		0	0
47	Tax Collections Payable (241)		1,313,167	999,640
48	Miscellaneous Current and Accrued Liabilities (242)		5,040,148	6,307,393
49	Obligations Under Capital Leases-Current (243)		0	0
50	Derivative Instrument Liabilities (244)		0	0
51	(Less) Long-Term Portion of Derivative Instrument Liabilities		0	0
52	Derivative Instrument Liabilities - Hedges (245)		0	0
53	(Less) Long-Term Portion of Derivative Instrument Liabilities-Hedges		0	0
54	Total Current and Accrued Liabilities (lines 37 through 53)		135,121,896	122,580,242
55	DEFERRED CREDITS			
56	Customer Advances for Construction (252)		4,397,711	4,680,710
57	Accumulated Deferred Investment Tax Credits (255)	266-267	206,889	237,988
58	Deferred Gains from Disposition of Utility Plant (256)		0	0
59	Other Deferred Credits (253)	269	34,389,377	33,279,693
60	Other Regulatory Liabilities (254)	278	2,149,840	1,935,952
61	Unamortized Gain on Reaquired Debt (257)		0	0
62	Accum. Deferred Income Taxes-Accel. Amort.(281)	272-277	-1	-1
63	Accum. Deferred Income Taxes-Other Property (282)		84,986,619	83,112,345
64	Accum. Deferred Income Taxes-Other (283)		19,453,501	19,376,128
65	Total Deferred Credits (lines 56 through 64)		145,583,936	142,622,815
66	TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65)		693,798,487	671,335,766

LONG-TERM DEBT (Account 221, 222, 223 and 224)

- Report by balance sheet account the particulars (details) concerning long-term debt included in Accounts 221, Bonds, 222, Reacquired Bonds, 223, Advances from Associated Companies, and 224, Other long-Term Debt.
- In column (a), for new issues, give Commission authorization numbers and dates.
- For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.
- For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.
- For receivers, certificates, show in column (a) the name of the court -and date of court order under which such certificates were issued.
- In column (b) show the principal amount of bonds or other long-term debt originally issued.
- In column (c) show the expense, premium or discount with respect to the amount of bonds or other long-term debt originally issued.
- For column (c) the total expenses should be listed first for each issuance, then the amount of premium (in parentheses) or discount. Indicate the premium or discount with a notation, such as (P) or (D). The expenses, premium or discount should not be netted.
- Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.

Line No.	Class and Series of Obligation, Coupon Rate (For new issue, give commission Authorization numbers and dates) (a)	Principal Amount Of Debt issued (b)	Total expense, Premium or Discount (c)
1	ACCOUNT 221		
2			
3			
4	Series:		
5			
6	Y	6,000,000	93,422
7	Z	35,000,000	209,695
8	AB	45,000,000	657,089
9			99,000 D
10	AC	30,000,000	233,700
11	AE (South Dakota PUC EL02-011)	75,000,000	991,064
12	SUBTOTAL	191,000,000	2,283,970
13			
14	ACCOUNT 224		
15			
16	1992 Pollution Control Refunding Revenue Bonds		
17	Lawrence County, SD	5,850,000	96,410
18	Pennington County, SD	2,050,000	80,007
19	Campbell County, WY	1,550,000	76,645
20	Weston County, WY	2,850,000	79,586
21			
22	2004 Pollution Control Refunding Revenue Bonds		
23	Campbell County, WY	1,550,000	32,982
24	Campbell County, WY	12,200,000	235,984
25	Pennington County, SD	2,050,000	50,653
26	Weston County, WY	2,850,000	58,127
27			
28	1994 A Environmental Improvement Bonds	3,000,000	69,943
29			
30	1994 Gillette Refunding Bonds	12,200,000	311,573
31	Bear Paw Energy Note Payable	1,078,000	
32	SUBTOTAL	47,228,000	1,091,910
33	TOTAL	238,228,000	3,375,880

LONG-TERM DEBT (Account 221, 222, 223 and 224) (Continued)

10. Identify separate undisposed amounts applicable to issues which were redeemed in prior years.
11. Explain any debits and credits other than debited to Account 428, Amortization and Expense, or credited to Account 429, Premium on Debt - Credit.
12. In a footnote, give explanatory (details) for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during year, (b) interest added to principal amount, and (c) principle repaid during year. Give Commission authorization numbers and dates.
13. If the respondent has pledged any of its long-term debt securities give particulars (details) in a footnote including name of pledgee and purpose of the pledge.
14. If the respondent has any long-term debt securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.
15. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (i). Explain in a footnote any difference between the total of column (i) and the total of Account 427, interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.
16. Give particulars (details) concerning any long-term debt authorized by a regulatory commission but not yet issued.

Nominal Date of Issue (d)	Date of Maturity (e)	AMORTIZATION PERIOD		Outstanding (Total amount outstanding without reduction for amounts held by respondent) (h)	Interest for Year Amount (i)	Line No.
		Date From (f)	Date To (g)			
						1
						2
						3
						4
						5
06/15/88	6/15/18	6/15/88	6/15/18	2,810,000	280,429	6
5/29/91	05/29/21	5/29/91	05/29/21	21,645,000	2,088,673	7
9/1/94	9/1/24	9/1/94	9/1/24			8
						9
2/1/95	2/1/10	2/1/95	2/1/10	30,000,000	2,418,000	10
8/13/02	8/15/32	8/13/02	8/15/32	75,000,000	5,422,500	11
				129,455,000	10,209,602	12
						13
						14
						15
						16
6/1/92	6/1/10	6/1/92	6/1/10			17
6/1/92	6/1/10	6/1/92	6/1/10			18
6/1/92	6/1/10	6/1/92	6/1/10			19
6/1/92	6/1/10	6/1/92	6/1/10			20
						21
						22
11/23/04	10/01/2014	01/01/2005	10/01/2014	1,550,000	74,400	23
11/23/04	10/01/2024	01/01/2005	10/01/2024	12,200,000	652,700	24
11/23/04	10/01/2014	01/01/2005	10/01/2014	2,050,000	98,400	25
11/23/04	10/01/2014	01/01/2005	10/01/2014	2,850,000	136,800	26
						27
6/1/94	6/1/24	6/1/94	6/1/24	2,855,000	174,198	28
						29
7/1/94	7/1/24	7/1/94	7/1/24			30
6/25/00	5/25/12	6/25/00	5/25/12	248,899	38,130	31
				21,753,899	1,174,628	32
				151,208,899	11,384,230	33