

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

IN THE MATTER OF THE APPLICATION OF) BLACK HILLS POWER, INC. FOR AN ORDER) AUTHORIZING IT TO ISSUE AN ADDITIONAL) \$180 MILLION IN FIRST MORTGAGE BONDS))		ORDER AUTHORIZING THE ISSUANCE OF \$180 MILLION OF FIRST MORTGAGE BONDS EL09-008
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On June 12, 2009, the South Dakota Public Utilities Commission ("Commission") received an application from Black Hills Power Inc. (Black Hills), for approval to issue an additional \$180 million in first mortgage bonds. Black Hills indicates the bonds will be issued to provide permanent financing of Wygen III, other capital expenditures and to provide proceeds for upcoming maturity of first mortgage bonds.

Black Hills states that it "is constructing Wygen III, a 100 MW (net) generation plant, located near Gillette, Wyoming. Black Hills Power desires to issue first mortgage bonds in the amount of \$180 million ('Bonds' or 'First Mortgage Bonds') for the permanent financing of Wygen III and other capital expenditures and to provide proceeds to fund the upcoming February 1, 2010 maturity of its \$30 million, 8.06% Series AC first mortgage bonds." Black Hills further stated that it "intends to issue bonds with a maturity in the range of ten to thirty years through a registered public offering. The offering will be completed within two months of a Commission order authorizing it to do so."

At its regularly scheduled meeting of July 14, 2009, the Commission considered Black Hills' application. The Commission has jurisdiction over this matter pursuant to SDCL 49-34A, specifically 49-34A-29 to 49-34A-34, inclusive. Commission Staff recommended approval. The Commission voted to approve the application and authorize the issuance of First Mortgage Bonds as requested by Black Hills. Pursuant to SDCL 49-34A-42, the Commission finds the following: the issuance and sale of the New Bonds is for a lawful object; it is within the corporate purposes of Black Hills and compatible with the public interest; it is necessary or appropriate for or consistent with the proper performance by Black Hills of service as a public utility and will not impair its ability to perform that service; and is reasonably necessary or appropriate for such purposes.

It is therefore

ORDERED, that Black Hills is authorized to sell up to \$180 million of aggregate principal amount of First Mortgage Bonds.

Dated at Pierre, South Dakota, this 21st day of July, 2009.

CERTIFICATE OF SERVICE
The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, electronically.
By: <u> Belaine Kolbo </u>
Date: <u> 7/22/09 </u>
(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

 Austin M. Johnson
DUSTIN M. JOHNSON, Chairman *dk*

 Gary Hanson
GARY HANSON, Commissioner