

ORIGINAL

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549



FORM SE
APPLICATION-DECLARATION
UNDER THE
PUBLIC UTILITY HOLDING COMPANY ACT OF 1935

REC'D S.E.C.
DEC 29 2004
1086

Black Hills Corporation

625 Ninth Street

Rapid City, SD 57701

(Name of Company filing this statement and address of principal executive offices)

Registrant CIK: 0001130464

SEC File Number: 070-10237

FORM U-1/A

Name of Person Filing this Form SE:

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PROCESSED

DEC 29 2004

Michael B

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify on December 29, 2004, that the information set forth in this statement is true and complete.

By:

Michael C. Griffen
Attorney for Black Hills Corporation

Exhibits Filed With This Form SE

Exhibit C-1 Detail of Existing Financing Arrangements of Black Hills and Subsidiaries

Note: Confidential treatment is requested for Exhibit C-1 pursuant to 17 C.F.R. § 250.104. Exhibit C-1 is strictly privileged and confidential. Do Not Release Exhibit C-1.

Exhibit C-2 Energy-Related Asset Investment Strategy During Authorization Period

Note: Confidential treatment is requested for Exhibit C-2 pursuant to 17 C.F.R. § 250.104. Exhibit C-2 is strictly privileged and confidential. Do Not Release Exhibit C-2.

Exhibit E-3 Organizational Chart of Black Hills Corporation and its Subsidiaries

**Black Hills Corporation and Subsidiaries
Existing Financing Arrangements**

1. Lenders. The following is a listing of the identities of lenders in Black Hills Corporation's and its Subsidiaries' various financing arrangements.

Utility Debt Financing Arrangements

Description	Lender	Amount (\$000)
Black Hills Power, Inc., First Mortgage Bonds		
Series Y @ 9.49%	N/A*	\$ 3,970
Series Z @ 9.35%	N/A*	28,305
Series AB @ 8.30%	N/A*	45,000
Series AC @ 8.06%	N/A*	30,000
Series AE @ 7.23%	N/A*	75,000
Black Hills Power, Inc., Pollution Control Revenue Bonds		
Pollution Control Revenue Bonds @ 6.7%	N/A*	6,450
Pollution Control Revenue Bonds @ 7.5%	N/A*	12,200
Pollution Control Revenue Bonds @ 2.92%	N/A*	2,855
Black Hills Power, Inc. Note Payable to Bear Paw Energy	Bear Paw Energy	433
TOTAL:		\$ 204,213

* Bond offering.

Non-Utility Debt Financing Arrangements

Description	Lender	Amount (\$000)
Black Hills Corp., Senior Unsecured Notes @ 6.5%	N/A*	\$ 224,748
Black Hills Generation, Inc., Project Financing Debt		
Fountain Valley Project Debt @ 2.65%	Syndicate ¹	83,843
Valmont and Arapahoe Project Debt @ 2.67%	Syndicate ²	126,102
Wygen Project @ 2.04%	Syndicate ³	111,100
Wygen Project @ 2.04%	Syndicate ³	17,165
Black Hills Wyoming, Inc., Credit Financing		
General Electric Capital Corp. Financing @ 3.16%	GE Capital Corporation	28,714
Black Hills Wyoming, Inc. Note Payable to Bear Paw Energy	Bear Paw Energy	433
Las Vegas Cogeneration II, LLC, Note Payable to City of North Las Vegas for Sewer Connection Fee	City of North Las Vegas, NV	1,656
TOTAL:		\$ 593,761

* Bond offering.

Exhibit C-1

1. Syndicate comprised of the following banks: Bank Hapoalim; Erste Bank der Osterreichischen; Landes Hessen-Thuringen; Landesbank Sachsen Girozentrie; Lloyds TSB; Mizuho; National City; Rabobank; Union Bank of California; and US Bank.

2. Syndicate comprised of the following banks: Bank of Nova Scotia; BOM/Harris; Calyon; Helaba; Mizuho; National City; Nord LB; and Union Bank of California.

3. Syndicate comprised of the following banks: Calyon; Credit Suisse; Helaba; Nord LB; US Bank; and Wells Fargo.

Existing Short-Term Debt

Description	Lender	Amount (\$000)
Black Hills Corp. Revolving Credit Facility - One Year	Syndicate ⁴	\$ 125,000
Black Hills Corp. Revolving Credit Facility - Multi-Year	Syndicate ⁵	225,000
TOTAL:		\$ 350,000

4. Syndicate comprised of the following banks: ABN Amro; Bank of America; Bank of Nova Scotia; Calyon; Chang Hwa; Cobank; Harris Nesbitt; Royal Bank of Canada; Societe Generale; Union Bank of California; US Bank; and Wells Fargo.

5. Syndicate comprised of the following banks: ABN Amro; Bank of Nova Scotia; Calyon; Chang Hwa; Cobank; Credit Suisse; Fleet Boston; Harris Nesbitt; Lehman; LaSalle; Union Bank of California; US Bank; and Wells Fargo.

Intra-System Loans

Description	Lender	Amount (\$000)
Loans by and among Black Hills Corporation and its Non-Utility Subsidiaries (see details below)	Varies	Varies
TOTAL:		\$ Varies

Third-Party Credit Support

Description	Lender	Amount (\$000)
Black Hills Energy Resources, Inc., Revolving Credit Facility	Fortis Bank	\$ 40,000
Enserco Energy Inc., Revolving Credit Facility	Syndicate ⁶	150,000
TOTAL:		\$ 190,000

6. Syndicate comprised of the following banks: BNP Paribas; Fortis Bank; Societe Generale; and US Bank.

Exhibit C-1

2. Details of Intra-System Loans. The following is a listing of the various existing intra-system loans between and among Black Hills Corporation and its Subsidiaries.

As noted in Exhibit I-2, intra-system loans are wholly internal to Black Hills Corporation and net to zero in Black Hills Corporation's consolidated financial statements. The table below shows intra-system loans in place on September 30, 2004.

The intra-system loan arrangements, and the balances on those arrangements, vary on a daily basis as Black Hills and its Subsidiaries engage in intra-system loan arrangements to manage their financing and cash management requirements. Each such intra-system loan is repayable upon demand by the lender, and each may be prepaid by the borrower without premium or penalty. The amounts of such loans fluctuate. As the borrower earns cash from operations, it repays cash to the lender, or as its borrowing needs grow, it can borrow additional amounts. Loans by Black Hills or a Non-Utility Subsidiary to a Non-Utility Subsidiary generally have interest rates and maturity dates that are designed to parallel the lending company's effective cost of capital. The current system of intra-company loans serves as a pool of money, the total of which sums to a zero balance on a consolidated basis.

With the exception of intra-system loans in which Black Hills Corporation is the borrower, which will be terminated as described in the following paragraph, Black Hills expects to leave in place the existing intra-company loan arrangements by Black Hills or a Non-Utility Subsidiary or a Non-Utility Subsidiary. Black Hills has requested such authorization in the Amended and Restated Application-Declaration.

Lender	Borrower	Balance 9-30-2004	Rate
Black Hills Corporation	Black Hills Fiber Systems, Inc.	50,000,000	6.75%
Black Hills Corporation	Black Hills Fiber Systems, Inc.	5,802,933	3.09%
Black Hills Fiber Systems, Inc.	Black Hills FiberCom, LLC	40,000,000	4.34%
Black Hills Fiber Systems, Inc.	Black Hills FiberCom, LLC	134,592,170	5.09%
BHFC Publishing, Inc.	Black Hills Fiber Systems, Inc.	1,141,516	5.09%
Black Hills Fiber Systems, Inc.	Black Hills Montana Publishing, LLC	304,941	5.09%
Black Hills Corporation	Black Hills Wyoming, Inc.	6,576,829	3.09%
Black Hills Corporation	Black Hills Wyoming, Inc.	110,964,874	6.75%
Black Hills Wyoming, Inc.	Black Hills Generation, Inc.	200,000,000	8.75%
Black Hills Wyoming, Inc.	Black Hills Generation, Inc.	132,422,763	5.09%
Harbor Cogeneration Company, LLC	Black Hills Generation, Inc.	13,680,777	5.09%
Black Hills Pepperell Power Assoc., Inc.	Black Hills Generation, Inc.	62,347	5.09%
Black Hills Idaho Operations, LLC	Black Hills Generation, Inc.	124,669	5.09%
Black Hills Generation, Inc.	EIF Investors, Inc.	1,684,745	5.09%
Black Hills Generation, Inc.	Black Hills Colorado, LLC	1,118,140	5.09%
Black Hills Ontario, LLC	Black Hills Generation, Inc.	1,264,055	5.09%
Black Hills Generation, Inc.	Fountain Valley Power, LLC	45,000,000	5.09%
Las Vegas Cogeneration LP	Black Hills Generation, Inc.	3,827,012	5.09%

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Black Hills Generation, Inc.	Sunco, Ltd.	2,625,400	5.09%
Black Hills Generation, Inc.	Las Vegas Cogeneration II, LLC	6,390,077	5.09%
Black Hills Generation, Inc.	Las Vegas Cogeneration II, LLC	50,000,000	4.75%
Black Hills Nevada Operations, LLC	Black Hills Generation, Inc.	195,317	5.09%
Black Hills Nevada RE Holdings, LLC	Black Hills Generation, Inc.	375,292	5.09%
Black Hills Nevada, LLC	Black Hills Generation, Inc.	510	5.09%
Black Hills Corporation	Black Hills Exploration and Prod., Inc.	54,043,465	3.09%
Black Hills Exploration and Prod., Inc.	Black Hills Gas Resources Corporation	30,221,126	3.09%
Black Hills Exploration and Prod., Inc.	Black Hills Gas Resources Corporation	25,900,116	3.09%
Daksoft, Inc. ¹	Black Hills Corporation	1,060,640	3.09%
Black Hills Power, Inc. ²	Black Hills Corporation	25,314,683	3.09%
Wyodak Resources Development Corp. ¹	Black Hills Corporation	962,005	3.09%
Black Hills Energy, Inc. ¹	Black Hills Corporation	18,395,946	3.09%
Enserco Energy, Inc.	Wyodak Resources Development Corp.	0	3.09%
Enserco Energy, Inc.	Black Hills Energy Pipeline, LLC	3,000,000	3.09%
Enserco Energy, Inc.	Black Hills Kilgore Pipeline, Inc.	7,000,000	3.09%

1. Black Hills will terminate all its borrowings from Non-Utilities in the following manner. Black Hills will register as a holding company by filing Form U-5A with the Commission not later than one business day following the Commission's issuance of an order with respect to the instant application. Not later than five business days following its registration as a holding company Black Hills will transfer all loans from Non-Utility Subsidiaries to one of Black Hills' Non-Utility Subsidiaries. The Non-Utility Subsidiary to which the loans will be transferred will be liable to Black Hills for the aggregate value of the loans transferred from Black Hills. Following such transfer of all loans from Non-Utility Subsidiaries, Black Hills will not borrow money from any Non-Utility Subsidiary.

2. As of September 30, 2004, Black Hills Power was a lender to Black Hills Corporation as identified above. On October 21, 2004, Black Hills Corporation loaned Black Hills Power \$45 million to fund Black Hills Power's call of its Series AB First Mortgage Bonds, thereby eliminating the loan from Black Hills Power to Black Hills Corporation and creating a loan from Black Hills Corporation to Black Hills Power. Black Hills Corporation now is a lender to Black Hills Power, with a balance on that loan, as of December 15, 2004, of \$22,854,725. Black Hills Power will not loan funds to Black Hills Corporation following Black Hills Corporation's registration.

Exhibit C-1

3. Cross-Default Obligations in Existing Debt Financing Arrangements Identified in Exhibit I-2. The following listing identifies cross-default provisions in Black Hills Corporation's and its Subsidiaries' various financing arrangements.

Debt Arrangement	Lender	Description of Cross Default
Black Hills Generation, Inc., Project Financing Debt		
Fountain Valley Project Debt @ 2.65%	Syndicate comprised of the following banks: Bank Hapoalim; Erste Bank der Osterreichischen; Landes Hessen-Thuringen; Landesbank Sachsen Girozentrie; Lloyds TSB; Mizuho; National City; Rabobank; Union Bank of California; and US Bank.	Project debt cross-defaults for defaults of any of Black Hills Fountain Valley, LLC, Fountain Valley Power, LLC, and E-Next A Equipment Leasing Company, LLC, on debt in excess of \$1 million
Valmont and Arapahoe Project Debt @ 2.67%	Syndicate comprised of the following banks: Bank of Nova Scotia; BOM/Harris; Calyon; Helaba; Mizuho; National City; Nord LB; and Union Bank of California.	Project debt defaults if Black Hills Colorado, LLC, defaults on other indebtedness in excess of \$1 million
Wygen Project Debt @ 2.04%	Syndicate comprised of the following banks: Calyon; Credit Suisse; Helaba; Nord LB; US Bank; and Wells Fargo.	As a result of Black Hills Corporation's guarantee of Black Hills Wyoming, Inc.'s, debt on the Wygen Project, the Wygen debt is cross-defaulted to the covenants in Black Hills Corporation's debt (>\$10 million). Therefore, if the corporate covenants are not met the debt at Wygen could be defaulted.
Black Hills Wyoming, Inc., Credit Financing		
General Electric Capital Corp. Financing @ 3.16%	GE Capital Corporation	There is a cross-default to Black Hills Corporation should Black Hills Corporation default in debt in excess of \$10 million.

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<p>Black Hills Power, Inc., Note Payable to Bear Paw Energy Black Hills Wyoming, Inc., Note Payable to Bear Paw Energy</p>	<p>Bear Paw Energy</p>	<p>This is one note payable that is allocated to two subsidiaries (Black Hills Power, Inc., and Black Hills Wyoming, Inc.). As such, a default affects both Black Hills Power and Black Hills Wyoming.</p>
<p>Black Hills Corporation Revolving Credit Facilities (One-Year and Multi-Year)</p>	<p>One-Year: Syndicate comprised of the following banks: ABN Amro; Bank of America; Bank of Nova Scotia; Calyon; Chang Hwa; Cobank; Harris Nesbitt; Royal Bank of Canada; Societe Generale; Union Bank of California; US Bank; and Wells Fargo.</p> <p>Multi-Year: Syndicate comprised of the following banks: ABN Amro; Bank of Nova Scotia; Calyon; Chang Hwa; Cobank; Credit Suisse; Fleet Boston; Harris Nesbitt; Lehman; LaSalle; Union Bank of California; US Bank; and Wells Fargo.</p>	<p>Cross-default to other Black Hills Corporation debt, and debt of "Material Subsidiaries" (Black Hills Power, Inc., Black Hills Energy, Inc., Wyodak Resources Development Corporation, Black Hills Generation, Inc., and (in future) Cheyenne Light, Fuel and Power Company) in excess of \$20 million</p>
<p>Las Vegas Cogeneration II, LLC, Note Payable to City of North Las Vegas</p>	<p>City of North Las Vegas, NV</p>	<p>Project debt cross defaults for defaults of Las Vegas Cogeneration II, LLC, and its guarantor (Black Hills Nevada, LLC) for debt in excess of \$1 million</p>
<p>Black Hills Energy Resources, Inc., Revolving Credit Facility</p>	<p>Fortis Bank</p>	<p>Cross defaults on other Black Hills Energy Resources, Inc., debt in excess of \$100,000</p>

Exhibit C-1

Enserco Energy Inc., Revolving Credit Facility	Syndicate comprised of the following banks: BNP Paribas; Fortis Bank; Societe Generale; and US Bank.	Cross defaults for defaults on other Enserco Energy Inc., debt in excess of \$1 million, and on "Events of Default" and "Termination Events" in Swaps with "Swap Banks" (the affiliates of the banks in the letter of credit syndicate who engage in swaps with Enserco)
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**Black Hills Corporation and Subsidiaries
Energy-Related Asset Investment Strategy During Authorization Period**

Black Hills Corporation ("Black Hills") provides the following explanation of its business strategy with respect to investments in "energy-related" assets during the Authorization Period (period through December 31, 2007).

Background to Request with Respect to Energy-Related Investments. In its Form U-1 Amended and Restated Application-Declaration (File No. 70-10237), Black Hills requests (1) that it be authorized to retain its existing investments in energy-related companies and that the value of those investments (\$215.8 million as of September 30, 2004) be disregarded for purposes of calculating the dollar limitation upon investments in energy-related companies under Rule 58,¹ and (2) that it be authorized to invest up to \$300 million in energy-related companies in addition to the investments in energy-related companies permitted under Rule 58 (up to 15% of Black Hills' consolidated total capitalization, or \$227.8 million).

Strategy With Respect to Existing Energy-Related Investments. Black Hills' existing energy-related businesses are engaged in coal production and marketing; natural gas marketing; natural gas exploration and production; natural gas transportation; oil marketing; oil exploration and production; oil terminaling, storage, and transportation; and the ownership and operation of qualifying cogeneration and small power production facilities.

Black Hills' management has identified to its Board of Directors opportunities for increased investments in its existing coal production and oil and gas exploration and production businesses and has received capital budget authority from the Board for several such investments. Black Hills plans to expand its existing Wyodak coal mine to open a new production pit, with the goal of continuing coal sales to existing customers and pursuing additional sales of coal from the Wyodak mine to regional rail-served customers and to

1. See, e.g., CP&L Energy Inc., HCAR 35-27284 (November 27, 2000) ("Applicants request that we exclude nonutility investments made by CP&L Energy and Florida Progress prior to the effective date of the Share Exchange, for purposes of calculating the 15% investment limitation of rule 58. It is appropriate to grant this request in view of the fact that, at the time of the investments, the Merger partners were not subject to the restrictions that section 11(b)(1) of the Act and relevant precedent place upon the nonutility investments of registered system companies."); Exelon Corporation, HCAR 35-27256 (October 19, 2000) ("We have further concluded that the existing investments of Unicom and PECO as of the date of consummation of the Merger should be disregarded, as Applicant requests, for purposes of calculating the dollar limitation upon investment in energy-related companies under rule 58. As in previous similar matters, we reach this conclusion in view of the fact that Unicom and PECO, as exempt holding companies, were not subject to the restrictions that section 11(b)(1) of the Act and related precedent place upon the nonutility activities of registered system companies.")

Exhibit C-2

additional mine-mouth generating facilities located at the site.² Black Hills has budgeted \$9.0 million for Wyodak mine expansion in 2005 and expects to budget \$2.0 million and \$12.0 million in 2006 and 2007, respectively.

Black Hills also plans to expand its gas and oil reserves by engaging in on-going gas and oil drilling and exploration activities in its existing fields in New Mexico, Colorado, Wyoming, Montana, North Dakota, Nebraska, Oklahoma, Louisiana, Texas, the Gulf of Mexico, and California. Black Hills has budgeted \$39.0 million for exploration and production in 2005 and expects to budget \$44.0 million and \$47.0 million in 2006 and 2007, respectively. Black Hills prepares its exploration and production budget figures on a risk-adjusted basis utilizing a conservative assumption that its drilling program will be successful in finding economically-recoverable reserves of gas and oil in 50% of all wells drilled. For each well that yields gas or oil, Black Hills makes additional investments in wellhead equipment, gathering system equipment, and other equipment needed to develop productive wells. In the event Black Hills' drilling program is more successful in producing viable gas and oil wells than estimated, management will seek supplemental budget authority for the additional investments needed to complete the development of productive wells.

In addition, Black Hills' Board of Directors has approved investments for the growth and maintenance of Black Hills' other existing energy-related businesses. For its oil and gas marketing and transportation businesses, the board has approved \$3.0 million, \$1.0 million and \$2.0 million, respectively, for the years 2005, 2006, and 2007. For its qualifying cogeneration and small power production facilities, the Board has approved investments of up to an aggregate of \$5.0 million over the Authorization Period.

In sum, Black Hills expects to budget at least \$164 million for investments in its existing energy-related businesses during the Authorization Period, with additional investments in wellhead, gathering system, and other equipment required in the event its drilling program exceeds conservative expectations.

Strategy With Respect to New Energy-Related Investments. Black Hills' management has identified to its Board opportunities for new investments in energy-related companies and has adopted a strategy of trying to grow its gas and oil exploration, production, storage, and transportation businesses. Black Hills intends to acquire additional mid-stream assets, such as regional pipelines and storage systems, so that it can facilitate and further augment its oil and gas marketing services.

2. Black Hills Power, Inc., has received requests for generator interconnection service at its Wyodak transmission substation from power plant developers interested in developing new coal-fired generating facilities at the Wyodak mine site.

Exhibit C-2

Although Black Hills has not received Board approval for specific investment opportunities in new energy-related businesses, Black Hills has identified a number of potential mid-stream asset and exploration and production investment opportunities. Black Hills currently is actively exploring the following energy-related asset investments: mid-stream and storage assets located in California (\$150 million); mid-stream assets located in Colorado and Utah (\$185 million), Texas (\$70 million), and New Mexico (\$10 million); and exploration and production operations in New Mexico (\$75 million), Wyoming (\$25 million), and Colorado (\$75 million). The market for such investment opportunities is very dynamic and changes daily, and Black Hills obviously will not acquire every asset that becomes available. Black Hills nevertheless seeks the flexibility to be able to seize these or other opportunities as they arise. Overall, Black Hills currently has \$590 million in potential investments in new energy-related assets under active consideration.

Overall Request for Authority to Invest in Energy-Related Assets. Black Hills expects to budget at least \$164 million for investments in its existing energy-related businesses during the Authorization Period, with additional investments in wellhead, gathering system, and other equipment required in the event its drilling program exceeds conservative expectations, and Black Hills currently has \$590 million in potential investments in new energy-related assets under active consideration, for a total of at least \$754 million in potential investments in existing and new energy-related assets. Black Hills has requested that it be authorized to invest up to \$300 million in energy-related companies in addition to the approximately \$227 million in investments in energy-related companies permitted under Rule 58, for a total of approximately \$527 million in investment authority. Given the broad scope of its investment program in existing and new energy-related assets, Black Hills requests the Commission to grant its request for energy-related investment authority.

BLACK HILLS CORPORATION ORGANIZATIONAL CHART

Post Restructure



