

BLACK HILLS CORP /SD/  
Form U-9C-3  
May 27, 2005

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM U-9C-3**

**QUARTERLY REPORT PURSUANT TO RULE 58**

**For the Quarter Ended March 31, 2005**

**Black Hills Corporation**

(Name of registered holding company)

**625 Ninth Street, Rapid City, South Dakota 57701**

(Address of principal executive offices)

Inquiries concerning this Form U-9C-3 should be directed to:

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Black Hills Corporation  
625 Ninth Street

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## ITEM 1 ORGANIZATION CHART

	Name of Reporting Company	Energy or Gas-Related Company	Date of Organization	State of Organization	Percentage of Voting Securities Held	Type of Business
1.	Black Hills Corporation*	N/A	04/28/2000	South Dakota	N/A	Holding company
1.1	Black Hills Energy, Inc.*	N/A	01/29/2001	South Dakota	100%	Intermediate non-utility holding company for Black Hills Corporation's EWGs, QFs, natural gas/oil/coal companies
1.1.1	Black Hills Generation, Inc.*	N/A	01/05/2000	Delaware	100%	Intermediate non-utility holding company for Black Hills Corporation EWGs and QFs and other businesses related to the ownership and operation of EWGs and QFs
1.1.1.2	Black Hills Idaho Operations, LLC	Energy-related	10/20/1998	Delaware	100%	Provides operating services to a qualifying facility
1.1.1.3	Black Hills Nevada Operations, LLC	Energy-related	06/26/2001	Delaware	100%	Operates qualifying facility
1.1.1.4	Black Hills Ontario, LLC	Energy-related	12/23/1996	Delaware	50%	Qualifying facility
1.1.1.5	Black Hills Southwest, LLC*	N/A	06/11/2001	Delaware	100%	Intermediate non-utility subsidiary
1.1.1.5.1	Black Hills Nevada, LLC*	N/A	08/19/1999	Delaware	100%	Intermediate non-utility subsidiary
1.1.1.5.1.1	Desert Arc I, LLC	N/A	08/19/1999	Delaware	50%	Intermediate non-utility holding company
1.1.1.5.1.2	Desert Arc II, LLC	N/A	08/19/1999	Delaware	50%	Intermediate non-utility holding company

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1.1.1.5.1.1.1	Las Vegas Cogeneration Limited Partnership	Energy-related	02/01/1991	Nevada	50%	Qualifying facility
1.1.1.5.1.2.1						
1.1.1.5.1.3	Sunco, Ltd., a Limited Liability Company	Energy-related	02/10/1994	Nevada	100%	Qualifying facility thermal host
1.1.2	Wyodak Resources Development Corp.	Energy-related	07/23/1956	Delaware	100%	Coal mining company
1.1.3	Black Hills Exploration and Production, Inc.	Energy-related	11/03/1977	Wyoming	100%	Oil and natural gas exploration and production
1.1.3.1	Black Hills Gas Holdings Corp. (fka Mallon Resources Corporation)*	N/A	07/18/1988	Colorado	100%	Intermediate non-utility holding company
1.1.3.1.1	Black Hills Gas Resources, Inc. (fka Mallon Oil Company)	Energy-related	05/31/1978	Colorado	100%	Oil and gas exploration and production and owns a natural gas gathering pipeline

\*System Company that directly/indirectly holds securities of Reporting Company

	<b>Name of Reporting Company</b>	<b>Energy or Gas-Related Company</b>	<b>Date of Organization</b>	<b>State of Organization</b>	<b>Percentage of Voting Securities Held</b>	<b>Type of Business</b>
1.1.3.1.2	Black Hills Cabresto Pipeline, LLC	Energy-related	08/28/2003	Delaware	100%	Owns and operates 12-mile natural gas pipeline in New Mexico
1.1.4	Black Hills Energy Resources, Inc.	Energy-related	06/25/1997	South Dakota	100%	Markets energy commodities
1.1.4.1	Black Hills Operating Company, LLC	Energy-related	02/01/2002	Delaware	100%	Operates and manages oil pipelines and terminals in Texas
1.1.4.2	Black Hills Energy Pipeline, LLC*	N/A	07/20/1999	Delaware	100%	Intermediate non-utility holding company
1.1.4.3	Black Hills Millennium Pipeline, Inc.*	N/A	07/13/1999	South Dakota	100%	Intermediate non-utility subsidiary
1.1.4.2.1	Millennium Pipeline Company, L.P.	Energy-related	08/19/1999	Texas	100%	Owns and operates an oil pipeline in Texas
1.1.4.3.1						
1.1.4.4	Black Hills Energy Terminal, LLC*	N/A	09/29/1999	South Dakota	100%	Intermediate non-utility subsidiary
1.1.4.5	Black Hills Millennium Terminal, Inc.*	N/A	09/17/1999	South Dakota	100%	Intermediate non-utility subsidiary
1.1.4.4.1	Millennium Terminal Company, L.P.	Energy-related	01/21/2000	Texas	100%	Operates an oil terminal and storage facility
1.1.4.5.1						
1.1.4.6	Black Hills Kilgore Energy Pipeline, LLC*	N/A	02/01/2002	Delaware	100%	Intermediate non-utility subsidiary
1.1.4.7	Black Hills Kilgore Pipeline, Inc.*	N/A	02/01/2002	Delaware	100%	Intermediate non-utility subsidiary

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1.1.4.6.1	Black Hills Kilgore Pipeline Company, L.P.	Energy-related	03/14/2002	Texas	100%	Owns and operates an oil pipeline in Texas
1.1.4.7.1						
1.1.5	Enserco Energy Inc.	Energy-related	08/16/1996	South Dakota	100%	Markets energy commodities

\*System Company that directly/indirectly holds securities of Reporting Company

**ITEM 2 ISSUANCES AND RENEWALS OF SECURITIES AND CAPITAL CONTRIBUTIONS**

**For the three month period ended March 31, 2005 (in thousands):**

<u>Company Issuing Security</u>	<u>Type of Security Issued</u>	<u>Principal Amount of Security</u>	<u>Issue or Renewal</u>	<u>Cost of Capital</u>	<u>Person to Whom Security Was Issued</u>	<u>Collateral Given With Security</u>	<u>Consideration Received for Each Security</u>
Black Hills Idaho Operations, LLC	ST Debt	\$ 94	Issue	4.12%	Black Hills Generation, Inc.	None	\$ 94
Black Hills Ontario, LLC	ST Debt	352	Issue	4.12%	Black Hills Generation, Inc.	None	352
Wyodak Resources Development Corp.	ST Debt	28,578	Issue	4.12%	Black Hills Exploration and Production, Inc.	None	28,578
Black Hills Energy, Inc.	ST Debt	18,546	Issue	4.12%	Black Hills Exploration and Production, Inc.	None	18,546

<u>Company Contributing Capital</u>	<u>Company Receiving Capital</u>	<u>Amount of Capital Contribution</u>
None		

**ITEM 3 ASSOCIATE TRANSACTIONS****Part I Transactions performed by reporting companies on behalf of associate companies****For the three month period ended March 31, 2005 (in thousands):**

Reporting Company	Associate Company	Types of Services Rendered	Direct Costs Charged	Indirect Costs Charged	Cost of Capital	Total Amount Billed
Enserco Energy Inc.	Black Hills Power, Inc.	Physical gas sales	\$ 7	N/A	N/A	\$ 7
Enserco Energy Inc.	Black Hills Wyoming, Inc.	Physical gas sales	7	N/A	N/A	7
Enserco Energy Inc.	Harbor Cogeneration Company, LLC	Physical gas sales	114	N/A	N/A	114
Enserco Energy Inc.	Black Hills Ontario, LLC	Physical gas sales	645	N/A	N/A	645
Wyodak Resources Development Corp.	Black Hills Power, Inc.	Coal sales	2,424	N/A	N/A	2,424
Wyodak Resources Development Corp.	Black Hills Wyoming, Inc.	Coal sales	722	N/A	N/A	722
Black Hills Exploration and Production, Inc.	Enserco Energy Inc.	Physical gas sales	3,018	N/A	N/A	3,018
Black Hills Gas Resources, Inc.	Enserco Energy Inc.	Physical gas sales	11,399	N/A	N/A	11,399
Black Hills Exploration and Production, Inc.	Black Hills Energy Resources, Inc.	Crude oil sales	27	N/A	N/A	27
Black Hills Exploration and Production, Inc.	Black Hills Gas Resources, Inc.	Operational services	128	N/A	N/A	128



**Part II Transactions performed by associate companies on behalf of reporting companies****For the three months ended March 31, 2005 (in thousands):**

Associate	Reporting	Types of	Direct	Indirect	Cost	Total
<u>Company Rendering</u>	<u>Company Receiving</u>	<u>Services</u>	<u>Costs</u>	<u>Costs</u>	<u>of Capital</u>	<u>Amount</u>
<u>Services</u>	<u>Services</u>	<u>Rendered</u>	<u>Charged</u>	<u>Charged</u>		<u>Billed</u>
Black Hills Energy, Inc.	Black Hills Exploration and Production, Inc.	Corporate services	N/A	\$ 1,401	N/A	\$ 1,401
Black Hills Energy, Inc.	Enserco Energy Inc.	Corporate services	N/A	500	N/A	500
Black Hills Energy, Inc.	Wyodak Resources Development Corp.	Corporate services	N/A	626	N/A	626
Black Hills Energy, Inc.	Black Hills Energy Resources, Inc.	Corporate services	N/A	24	N/A	24
Black Hills Energy, Inc.	Black Hills Kilgore Pipeline Company, LP	Corporate services	N/A	29	N/A	29
Black Hills Energy, Inc.	Millennium Pipeline Company, LP	Corporate services	N/A	159	N/A	159
Black Hills Power, Inc.	Wyodak Resources Development Corp.	Retail electric services	212	N/A	N/A	212

Note: Black Hills Corporation has formed a service company, Black Hills Service Company, LLC ( BHSC ), pursuant to the authority granted in Black Hills Corporation, et al., Holding Company Act Release No. 35-27931 ( Order ). The Commission approved BHSC's standard form of service company agreements in the Order. Pursuant to the phase-in authorized in the Order, BHSC will become fully operational by the end of the year and perform services under service company agreements with its affiliates.

**ITEM 4 SUMMARY OF AGGREGATE INVESTMENT**

*Investments in energy-related companies (in thousands):*

Total consolidated capitalization as of March 31, 2005	\$1,535,544	line 1
Total capitalization multiplied by 15% (line 1 multiplied by 0.15)	230,332	line 2
Greater of \$50 million or line 2	\$230,332	line 3
Total current aggregate investment: (categorized by major line of energy-related business)		
Total current aggregate investment(1)		line 4
Difference between the greater of \$50 million or 15% of capitalization and the total aggregate investment of the registered holding company system (line 3 less line 4)	\$230,332	line 5

*Investments in gas-related companies:*

Total current aggregate investment:  
(categorized by major line of gas-related business)  
None

(1) Investments in energy related companies prior to December 28, 2004, the date Black Hills Corporation became a registered holding company are reported under Item 5 Other Investments on this Form U-9C-3.

**ITEM 5 OTHER INVESTMENTS**

**As of March 31, 2005 (in thousands):**

Major Line of	Other Investment in Last U-9C-3 <u>Report</u> (3)	Other Investment in This U-9C-3 <u>Report</u>	Reason for Difference in Other <u>Investment</u>
Energy-Related <u>Business</u> (2)			
Energy commodity marketing	\$	\$ 75,542	
Qualifying facilities		65,887	
Fuel transportation,		116,112	

handling and storage  
facilities

Oil and gas exploration  
and production 54,517

Coal mining 9,746

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(2) Energy related businesses exempt from calculation in Item 4 Summary of Aggregate Investment prior to December 28, 2004, the date which Black Hills Corporation became a registered holding company.

(3) This is the initial report on Form U-9C-3 of Black Hills Corporation filed pursuant to Rule 58.

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**ITEM 6 FINANCIAL STATEMENTS AND EXHIBITS**

List all financial statements and exhibits filed as a part of this report.

(a) Financial statements:

Financial statements as of March 31, 2005 are being filed in paper under cover of Form SE and confidential treatment is being requested pursuant to Rule 104(b), 17 C.F.R. § 250-104(b).

(b) Exhibits:

Exhibits are being filed in paper under cover of Form SE and confidential treatment is being requested pursuant to Rule 104(b), 17 C.F.R. § 250-104(b).

**SIGNATURE**

Black Hills Corporation

By: /s/ Mark T. Thies  
MARK T. THIES  
Executive Vice President and  
Chief Financial Officer

Dated: May 27, 2005

