

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported) **July 12, 2010**

BLACK HILLS CORPORATION

(Exact name of registrant as specified in its charter)

South Dakota

(State or other jurisdiction of incorporation)

001-31303

(Commission File Number)

46-0458824

(IRS Employer Identification No.)

625 Ninth Street, PO Box 1400

Rapid City, South Dakota

(Address of principal executive offices)

57709-1400

(Zip Code)

605.721.1700

(Registrant's telephone number, including area code)

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement

On July 12, 2010, the Registrant's subsidiary, Enserco Energy Inc. ("Enserco"), entered into a Fifth Amendment to its Third Amended and Restated Credit Agreement dated as of May 8, 2009. The Fifth Amendment, among other things, increases Enserco's permitted coal fixed price position from 1.0 million tons to 2.25 million tons during the period July 1, 2010 to July 31, 2010, and to 2.0 million tons on August 1, 2010 and thereafter, and waives Enserco's previous noncompliance with the 1.0 million ton limitation. The Fifth Amendment to the Credit Facility is filed as Exhibit 10 to this Form 8-K and is incorporated herein by reference.

Item 2.02 Results of Operations and Financial Condition

On July 13, 2010, the Registrant filed a Preliminary Prospectus Supplement with the Securities and Exchange Commission. Under the recent developments section of the Preliminary Prospectus Supplement, the Registrant disclosed that for the quarter ended June 30, 2010, it expects to record a \$16.2 million after-tax unrealized mark-to-market non-cash loss on its floating-to-fixed interest rate swaps, compared to a \$20.6 million after-tax unrealized mark-to-market non-cash gain on the swaps for the same period in 2009. These swaps hedge interest rate exposure for periods to 2018 and 2028 and have amended mandatory

early termination dates ranging from December 15, 2010 to December 29, 2010. The Registrant has continued to maintain these swaps in anticipation of its upcoming financing needs, particularly as they relate to its planned capital requirements to build gas-fired power generation facilities to serve its Colorado Electric customers, and because of its upcoming holding company debt maturities, which are \$225 million and \$250 million in years 2013 and 2014, respectively. Alternatively, the Registrant may choose to cash settle these swaps at their fair value prior to their mandatory early termination dates, or unless these dates are extended, the Registrant will cash settle these swaps for an amount equal to their fair value on the mandatory early termination dates.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant

The information required by this item is included in Item 1.01.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

10 Fifth Amendment to Third Amended and Restated Credit Agreement effective July 12, 2010, among Enserco Energy Inc., as borrower, BNP Paribas, as administrative agent, collateral agent and the documentation agent, as an issuing bank, and a bank, Societe Generale, as an issuing bank, a bank and the syndication agent, and each of the other financial institutions which are parties thereto.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

BLACK HILLS CORPORATION

By: /s/ Anthony S. Cleberg
Anthony S. Cleberg
Executive Vice President
and Chief Financial Officer

Date: July 13, 2010

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Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
10	Fifth Amendment to Third Amended and Restated Credit Agreement effective July 12, 2010, among Enserco Energy Inc., as borrower, BNP Paribas, as administrative agent, collateral agent and the documentation agent, as an issuing bank, and a bank, Societe Generale, as an issuing bank, a bank and the syndication agent, and each of the other financial institutions which are parties thereto.

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**FIFTH AMENDMENT TO
THIRD AMENDED AND RESTATED CREDIT AGREEMENT**

THIS FIFTH AMENDMENT TO THIRD AMENDED AND RESTATED CREDIT AGREEMENT (this "Amendment") is entered into effective as of July 12, 2010, by and among ENSERCO ENERGY INC., a South Dakota corporation (the "Borrower"), BNP PARIBAS, a bank organized under the laws of France ("BNP"), Administrative Agent, Collateral Agent, Documentation Agent, as an Issuing Bank and a Bank, SOCIETE GENERALE, a bank organized under the laws of France ("SocGen"), as an Issuing Bank, a Bank and the Syndication Agent, and each of the other financial institutions which are parties hereto (collectively, the "Banks").

WHEREAS, the Borrower, Agent and the Banks have entered into that certain Third Amended and Restated Credit Agreement, dated to be effective as of May 8, 2009, (including all annexes, exhibits and schedules thereto, as from time to time amended, restated, supplemented, or otherwise modified, the "Credit Agreement"); and

WHEREAS, the Borrower and the Banks have agreed to make certain changes to the Credit Agreement;

NOW, THEREFORE, in consideration of the premises herein contained and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

1. Defined Terms. All capitalized terms used but not otherwise defined in this Amendment shall have the meaning ascribed to them in the Credit Agreement. Unless otherwise specified, all section references herein refer to sections of the Credit Agreement.

2. Amendments.

2.1 Section 7.02. of the Credit Agreement is amended as follows:

- (a) delete the word "and" at the end of subsection (j);
- (b) reletter present subsection (k) as subsection (l);
- (c) add new subsection (k) as follows:

“(k) as of the 15th and last day of each month, delivered within seven (7) days of the reporting date (or the next succeeding Business Day after such date in the event such date is not a Business Day), a forward coal position report, showing the mark to market coal position of the Borrower, in form and substance acceptable to the Agent; and”

2.2 Section 7.15 of the Credit Agreement is amended to read as follows:

“7.15 Financial Covenants. The Borrower shall at all times maintain, on a consolidated basis with its Subsidiaries:

- (a) Minimum Net Working Capital equal to the greater of (i) \$50,000,000.00, or (ii) 25% of the then-elected Borrowing Base Sub-Cap, subject to adjustment as provided in Section 8.11(b).
- (b) Minimum Tangible Net Worth equal to the greater of (i) \$50,000,000.00, or (ii) 25% of the then-elected Borrowing Base Sub-Cap, subject to adjustment as provided in Section 8.11(b).
- (c) A ratio to Total Liabilities to Tangible Net Worth not to exceed 5:1.
- (d) Minimum Realized Net Working Capital of \$50,000,000.00.”

2.3 Section 8.11(a) of the Credit Agreement is amended to read as follows:

“(a) At no time will the Borrower allow the Net Fixed Price Volume of natural gas to exceed 3,000,000 MMBTUS, the Net Fixed Price Volume of crude oil and distillates for crude blending to exceed 50,000 bbls, the Net Fixed Price Volume of natural gas liquids to exceed 1,000,000 gallons or the Net Fixed Price Volume of coal to exceed: (i) 2,250,000 tons during the period July 1, 2010 to July 31, 2010, and (ii) 2,000,000 tons on August 1, 2010 and thereafter.”

3. Waiver.

(a) The Borrower has advised the Banks that during the month of June, 2010, the Net Fixed Price Volume of coal exceeded the limitation of 1,000,000 tons provided for in Section 8.11(a) of the Credit Agreement. The Borrower has requested that the Banks waive the requirement of Section 8.11(a) with respect to coal for the period June 1, 2010 through the Effective Date (the "Waiver Period") and any violation of the Credit Agreement due to the Borrower's exceeding such limitation during the Waiver Period.

(b) The Banks hereby waive the requirement of Section 8.11(a) with respect to coal for the Waiver Period and any violation of the Credit Agreement due to the Borrower's exceeding the limitation set forth in Section 8.11(a) as it relates to coal during the Waiver Period, provided that after giving effect to such waiver, as of the Effective Date of this Amendment, there shall exist no Default or Event of Default.

(c) The waiver contained herein is granted to the extent and only to the extent specifically stated herein and for no other purpose or period and shall not be deemed to

(i) be a consent or agreement to, or waiver or modification of, any other terms or condition of the Credit Agreement, any other Loan Document, or any of the documents referred to therein, or (ii) except as expressly set forth herein, prejudice any right or rights which the Agent, the Issuing Banks, or the Banks may now have or may have in the future under or in connection with the Credit Agreement, any other Loan Document, or any of the documents referred to therein. Granting the waiver set forth herein does not and should not be construed to be an assurance or promise that waivers or consents will be granted in the future, whether for the matters herein stated or on other unrelated matters.

4. Effectiveness of Amendment. This Amendment shall be effective (the "Effective Date") upon:

- (a) Receipt by the Agent of a copy of this Amendment, duly executed by the Borrower and the Required Banks; and
- (b) Receipt by the Agent of all fees due and owing.

5. Ratifications, Representations and Warranties.

(a) The terms and provisions set forth in this Amendment shall modify and supersede all inconsistent terms and provisions set forth in the Credit Agreement and, except as expressly modified and superseded by this Amendment, the terms and provisions of the Credit Agreement are ratified and confirmed and shall continue in full force and effect. Borrower and the Banks agree that the Credit Agreement, as amended hereby, shall continue to be legal, valid, binding and enforceable in accordance with its terms.

(b) To induce the Banks to enter into this Amendment, the Borrower ratifies and confirms that each representation and warranty set forth in the Credit Agreement is true and correct in all material respects as if such representations and warranties were made on the even date herewith (unless stated to relate solely to an earlier date, in which case such representations and warranties shall have been true and correct as of such earlier date), in each case other than representations and warranties that are (x) subject to a materiality qualifier, in which case such representations and warranties shall be (or shall have been) true and correct and (y) modified by the updated disclosure schedules attached hereto, in which case such representations and warranties shall be true and correct as modified, and further represents and warrants (i) that there has occurred since the date of the last financial statements delivered to the Banks no event or circumstance that has resulted or could reasonably be expected to result in a Material Adverse Effect, (ii) that no Event of Default exists both before and after giving effect to this Amendment, and (iii) that the Borrower is fully authorized to enter into this Amendment.

6. Benefits. This Amendment shall be binding upon and inure to the benefit of the Banks and the Borrower, and their respective successors and assigns; provided, however, that Borrower may not, without the prior written consent of the Banks, assign any rights, powers,

duties or obligations under this Amendment, the Credit Agreement or any of the other Loan Documents.

7. **Governing Law. THIS AMENDMENT IS GOVERNED BY THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO THE CHOICE OF LAW RULES OF THAT STATE (OTHER THAN SECTIONS 5-1401 AND 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW).**

8. Invalid Provisions. If any provision of this Amendment is held to be illegal, invalid or unenforceable under present or future laws, such provision shall be fully severable and the remaining provisions of this Amendment shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance.

9. **Entire Agreement. THIS CREDIT AGREEMENT, AS AMENDED BY THIS AMENDMENT, AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.**

10. Reference to Credit Agreement. The Credit Agreement and the other Loan Documents, and any and all other agreements, documents or instruments now or hereafter executed and delivered pursuant to the terms hereof or pursuant to the terms of the Credit Agreement, as amended hereby, are hereby amended so that any reference in the Credit Agreement to the Credit Agreement shall mean a reference to the Credit Agreement as amended hereby.

11. Loan Document. This Amendment shall be considered a Loan Document under the Credit Agreement.

12. Counterparts. This Amendment may be separately executed in any number of counterparts, each of which shall be an original, but all of which, taken together, shall be deemed to constitute one and the same agreement.

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IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

a South Dakota corporation

By: Garner M. Anderson
Name: /s/ Garner M. Anderson
Title: VP Treasurer & CRO

ACCEPTED AND AGREED:

ENSERCO MIDSTREAM, LLC,
a South Dakota limited liability company

By: Garner M. Anderson
Name: /s/ Garner M. Anderson
Title: VP Treasurer & CRO

BNP PARIBAS,
as Agent

By: /s/ Keith Cox
Name: Keith Cox
Title: Managing Director

By: /s/ Christine Diringner
Name: Christine Diringner
Title: Director

BNP PARIBAS,
as a Bank and an Issuing Bank

By: /s/ Keith Cox
Name: Keith Cox
Title: Managing Director

By: /s/ Christine Diringner
Name: Christine Diringner
Title: Director

SOCIETE GENERALE,
as a Bank and an Issuing Bank

By: /s/ Chung-Taek Oh
Name: Chung-Taek Oh
Title: Director

By: /s/ Barbara Paulsen
Name: Barbara Paulsen
Title: Managing Director

U.S. BANK NATIONAL ASSOCIATION,
as a Bank

By: _____
Name: _____
Title: _____

**THE BANK OF TOKYO-MITSUBISHI UFJ, LTD., NEW YORK
BRANCH,**
as a Bank

By: _____
Name: _____
Title: _____

RZB FINANCE LLC,
as a Bank

By: /s/ Nancy Remini
Name: Nancy Remini
Title: Vice President

By: /s/ Pearl Geffers
Name: Pearl Geffers
Title: First Vice President

**COÖPERATIEVE CENTRAL RAIFFEISEN-BOERENLEENBANK
B.A., "Rabobank Nederland," NEW YORK BRANCH,**
as a Bank

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK,
as a Bank

By: Mark Lvoff
Name: /s/ Mark Lvoff
Title: Managing Director

By: Michel Kermarrec
Name: /s/ Michel Kermarrec
Title: Vice President
