

File No. 70-10237

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

**POST-EFFECTIVE AMENDMENT NO. 1 TO
FORM U-1/A**

**AMENDMENT NO. 2
AMENDED AND RESTATED
APPLICATION-DECLARATION
UNDER THE
PUBLIC UTILITY HOLDING COMPANY ACT OF 1935**

Black Hills Corporation

625 Ninth Street
Rapid City, SD 57701

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

Black Hills Corporation

(Name of Top Registered Holding Company Parent of Each Applicant or Declarant)

David R. Emery
President and Chief Executive Officer
Black Hills Corporation
625 Ninth Street
Rapid City, SD 57701

The Commission is requested to send copies of all notices, orders and communications in connection with this
Application-Declaration to:

Steven J. Helmers
Senior Vice President and General Counsel
Black Hills Corporation
625 Ninth Street
Rapid City, SD 57701

Michael C. Griffen
Morgan, Lewis & Bockius LLP
1111 Pennsylvania Avenue, N.W.
Washington, DC 20004

Item 1. Description of Proposed Transaction

A. INTRODUCTION

Black Hills Corporation (“Black Hills”) is a registered holding company under the Public Utility Holding Company Act of 1935, as amended (the “Act”). Black Hills directly owns all of the issued and outstanding common stock of two electric utility companies, Black Hills Power, Inc. (“Black Hills Power”), and Cheyenne Light, Fuel and Power Company (“CLF&P”) (collectively, “Utility Subsidiaries”). In addition, Black Hills directly owns all of the issued and outstanding common stock of non-utility subsidiary Black Hills Energy, Inc. (“Black Hills Energy”), which, through its subsidiaries (collectively, “Non-Utility Subsidiaries”), owns non-utility businesses engaged in the development, ownership, and operation of exempt wholesale generators (“EWGs”) and qualifying facilities (“QFs”); the production, transportation, and marketing of natural gas, oil, coal, and other energy commodities, power marketing, and other energy-related activities.

On December 28, 2004, the Securities and Exchange Commission (the “Commission”), acting on Black Hills’ application on Form U-1, as amended (“Application”), issued an order authorizing financing and certain related transactions, including investments in EWGs and foreign utility holding companies; approving service company and intrasystem transactions; and reserving jurisdiction. Black Hills Corporation, et al., Holding Company Act Release No. 35-27931 (December 28, 2004) (“Financing Order”). In the Financing Order the Commission authorized Black Hills to, among other things, establish and operate a Utility Money Pool and a Non-Utility Money Pool (collectively, “Money Pools”).

Specifically, the Commission authorized Black Hills to establish the Utility Money Pool and, to the extent not exempted by Rule 52, authorized Black Hills Power to make unsecured short-term borrowings from the Utility Money Pool and to contribute surplus funds to the Utility Money Pool and to lend and extend credit to (and, if applicable, acquire promissory notes from) the Utility Money Pool. Similarly, the Commission authorized Black Hills to establish the Non-Utility Money Pool. The Commission authorized Black Hills to contribute surplus funds and to lend and extend credit to Black Hills Power through the Utility Money Pool and to the Non-Utility Subsidiaries through the Non-Utility Money Pool. The Commission approved the forms of Utility Money Pool Agreement and Non-Utility Money Pool Agreement (“Money Pool Agreements”) proposed by Black Hills. The Commission approved Black Hills’ proposal that the Money Pools be administered by Black Hills Service Company, LLC (“Black Hills Service”), the service company subsidiary for the Black Hills holding company system (“Black Hills System”) authorized by the Commission in the Financing Order.

In the Financing Order the Commission reserved jurisdiction over, among other things, the addition of participants to the Non-Utility Money Pool. The current participants in the Non-Utility Money Pool are identified in Exhibit A.

The list of current participants in the Non-Utility Money Pool includes three new non-utility subsidiary participants that have been formed since the date of the Financing Order: Black Hills Midstream, LLC, and Black Hills Waterville Station, LLC, each a Non-Utility subsidiary

formed in connection with the exempt or permitted acquisition or development of non-utility facilities, and Black Hills Service Company, LLC, the service company subsidiary for the Black Hills holding company system.

In addition, the list of current participants in the Non-Utility Money Pool includes the following non-utility subsidiaries that were in existence as of the date of Financing Order and which Black Hills identified in Exhibit I-1 to its Application but which Black Hills inadvertently did not include in the proposed list of Non-Utility Money Pool participants in its Application: Black Hills Nevada Real Estate Holdings, LLC, a Non-Utility Subsidiary that owns and leases the land on which are located the non-utility facilities of Non-Utility Subsidiaries Las Vegas Cogeneration II, LLC, and Sunco, Ltd.; Black Hills Valmont Colorado, LLC, a Non-Utility Subsidiary that has acted as financing agent for Non-Utility Subsidiary Black Hills Colorado, LLC; Daksoft, Inc., a Non-Utility Subsidiary that provides information technology support to Black Hills and its subsidiaries; E-Next A Equipment Leasing Company, LLC, a Non-Utility Subsidiary that owns and leases certain equipment used by Non-Utility Subsidiary Fountain Valley Power LLC; and Las Vegas Cogeneration Energy Financing Company, LLC, a Non-Utility Subsidiary that owns and leases certain equipment used by Non-Utility Subsidiary Las Vegas Cogeneration II, LLC.

Black Hills will establish Black Hills Power as the repository for the Utility Money Pool and Black Hills Energy as the repository for the Non-Utility Money Pool. Under the authorization granted in the Financing Order, loans in the Utility Money Pool may be made from either Black Hills or any Utility Subsidiary that is authorized to participate in the Utility Money Pool (the "Utility Money Pool Lender") to the Utility Money Pool and from the Utility Money Pool to another Utility Subsidiary participant in the Utility Money Pool (the "Borrowing Utility Subsidiary"). Similarly, loans in the Non-Utility Money Pool may be made from either Black Hills or any Non-Utility Subsidiary that is authorized to participate in the Non-Utility Money Pool (the "Non-Utility Money Pool Lender") to the Non-Utility Money Pool and from the Non-Utility Money Pool to another Non-Utility Subsidiary participant in the Non-Utility Money Pool (the "Borrowing Non-Utility Subsidiary"). As structured with Black Hills Power as the repository for the Utility Money Pool and Black Hills Energy as the repository for the Non-Utility Money Pool, all loans in the Utility Money Pool may be made from a Utility Money Pool Lender to Black Hills Power, and from Black Hills Power to any Borrowing Utility Subsidiary, and all loans in the Non-Utility Money Pool may be made from a Non-Utility Money Pool Lender to Black Hills Energy, and from Black Hills Energy to any Borrowing Non-Utility Subsidiary.

Using Black Hills Power as the repository for the Utility Money Pool and Black Hills Energy as the repository for the Non-Utility Money Pool enhances the efficient and cost-effective operation of the Utility Money Pool and Non-Utility Money Pool by allowing existing companies in the Black Hills System to utilize their existing infrastructure and resources on behalf of the Money Pools, rather than requiring the creation of duplicative structures and the use of additional resources to handle Money Pool functions. Black Hills Service will administer and operate the Utility Money Pool and Non-Utility Money Pool in the same manner as the Commission authorized in the Financing Order and the Acquisition Order, and the Money Pools will be subject to the same restrictions as the Commission imposed in those orders. Black Hills

Power will create separate accounts for Utility Money Pool purposes and ensure that Utility Money Pool funds will not be co-mingled with Black Hills Power funds. Similarly, Black Hills Energy will create separate accounts for Non-Utility Money Pool purposes and ensure that Non-Utility Money Pool funds will not be co-mingled with Black Hills Energy funds. Additionally, no loans through the Utility Money Pool or Non-Utility Money Pool, will be made to, and no borrowings through the Money Pools will be made by, Black Hills.

At the time of its Application for the Financing Order, Black Hills owned only one Utility Subsidiary, Black Hills Power. Subsequently, Black Hills acquired CLF&P as a second Utility Subsidiary pursuant to authorization granted by the Commission. Black Hills Corporation, et al., Holding Company Act Release No. 35-27933 (December 29, 2004) (“Acquisition Order”). In the Acquisition Order the Commission authorized CLF&P to participate in the Black Hills Utility Money Pool on the same basis as it authorized Black Hills Power to participate in the Utility Money Pool in the Financing Order. Consistent with the relief granted in the Acquisition Order, Black Hills has modified the form of Utility Money Pool Agreement to reflect CLF&P’s eligibility to participate in the Utility Money Pool.

B. PROPOSED POST-EFFECTIVE AMENDMENTS TO MONEY POOLS

Black Hills proposes the following changes to the structure and operation of the Money Pools authorized in the Financing Order.

1. Modification to Interest Provisions of Money Pool Agreements. Black Hills proposes modifications to the forms of Utility Money Pool Agreement and Non-Utility Money Pool Agreement to clarify that each lender to either of the Money Pools may earn the same interest rate that borrowers from the Money Pools pay.

Further, Black Hills proposes further modifications to the Money Pool Agreements to clarify that the applicable interest rate on any outstanding loans through the Money Pools will be the composite weighted average daily effective cost incurred by the Lending Parties for External Funds¹ outstanding on that date. The daily effective cost shall be inclusive of interest rate swaps related to such External Funds. If there are no External Funds outstanding on that date, then the applicable interest rate will be the daily one-month LIBOR rate plus 100 basis points. Black Hills’ proposal is consistent with interest rate provisions in other money pool agreements approved by the Commission.²

2. Quarterly Money Pool Reports Under Rule 24. In the Financing Order the Commission authorized Black Hills to file various specified reports of financing-related

1. Under each form of Money Pool Agreement, “External Funds” are defined as proceeds from bank loans, the sale of notes, and/or the sale of commercial paper by the Lending Parties.

2. See, e.g., Centerpoint Energy, Holding Company Act Release No. 35-27972 (May 20, 2005) (approving interest rate determination based on composite weighted average daily effective costs incurred by the Lending Parties for External Funds outstanding on that date); Financing Order (approving LIBOR as the basis for cost-of-money determinations for short-term financings (LIBOR plus 300 basis points)).

activities on a quarterly basis subject to the terms and conditions prescribed in Rule 24, rather than more frequently as may be required under Rule 24. To the extent that Money Pool transactions are required to be reported under Rule 24, Black Hills proposes that it be allowed to submit cumulative reports of Money Pool transactions on a quarterly basis, rather than periodically within ten days of each such transaction as otherwise would be required under Rule 24, on the schedule for quarterly Rule 24 reports established in the Financing Order. Allowing cumulative reporting on a quarterly basis will enhance the efficient and cost-effective operation of the Money Pools by eliminating the need for a Rule 24 report for every Money Pool transaction.

Conforming changes to the Utility Money Pool Agreement and Non-Utility Money Pool Agreement reflecting the post-effective amendments described above are shown in the amended versions of those agreements provided as Exhibits M-1/A2 and M-2/A2.

In the Financing Order the Commission acknowledged Black Hills' statement, made in its Application for the Financing Order, that it intended to form and operate the Utility Money Pool and the Non-Utility Money Pool by July 1, 2005. Black Hills advises the Commission that it intends to extend the implementation date for the Money Pools from July 1, 2005, until a date fifteen (15) days after the date of the Commission's order on this post-effective amendment to the Application.

Item 2. Fees, Commissions, and Expenses

Black Hills expects to incur fees, commissions, and expenses in connection with this application estimated at approximately \$5,000, consisting chiefly of outside counsel fees and expenses.

Item 3. Applicable Statutory Provisions

Black Hills considers Section 12 of the Act and Rule 52 of the Commission's regulations under the Act to be applicable to the proposed changes to the Utility Money Pool and Non-Utility Money Pool. To the extent the Commission considers Black Hills' proposed changes to require authorizations, exemptions, or approvals under any other section of the Act or the Commission's rules and regulations under the Act, Black Hills requests such authorization, exemption, or approval.

Item 4. Regulatory Approval

No other state or federal regulatory authority, other than the Commission, has jurisdiction over the proposed changes to the Utility Money Pool and the Non-Utility Money Pool discussed in this application, and no other regulatory approvals are required.

Item 5. Procedure

Black Hills respectfully requests the Commission to publish notice of this application under Rule 23. Black Hills respectfully requests that appropriate and timely action be taken by the Commission in this matter. No recommended decision by a hearing officer or other responsible officer of the Commission is necessary or required in this matter. The Division of Investment Management of the Commission may assist in the preparation of the Commission's decision in this matter. There should be no thirty-day waiting period between the issuance and effective date of any order issued by the Commission in this matter, and it is respectfully requested that any order be made effective immediately upon the entry thereof.

Item 6. Exhibits and Financial Statements

Exhibit A	Current Participants in Non-Utility Money Pool
Exhibit M-1/A2	Amended Form of Utility Money Pool Agreement
Exhibit M-2/A2	Amended Form of Non-Utility Money Pool Agreement

Item 7. Information as to Environmental Effects

None of the matters that are the subject of this Application-Declaration involve a "major federal action" nor do they "significantly affect the quality of the human environment" as those terms are used in Section 102(2) (C) of the National Environmental Policy Act. None of the proposed transactions that are the subject of this Application-Declaration will result in changes in the operation of Black Hills or any Utility Subsidiary or Non-Utility Subsidiary that will have an impact on the environment. Black Hills is not aware of any federal agency which has prepared or is preparing an environmental impact statement with respect to the transactions proposed herein.

SIGNATURE

Pursuant to the requirements of the Public Utility Holding Company Act of 1935, as amended, the undersigned company has duly caused this Post-Effective Amendment No. 1 to Form U-1/A, Amendment No. 2 Amended and Restated Application-Declaration Under the Public Utility Holding Company Act of 1935, to be signed on its behalf by the undersigned thereunto duly authorized.

BLACK HILLS CORPORATION

/S/ David R. Emery

By: _____
Name: David R. Emery
Title: President and Chief Executive Officer

Dated: July 22, 2005

Exhibit A
Current Participants in Non-Utility Money Pool

The following Non-Utility Subsidiaries currently are participants in the Non-Utility Money Pool:

Black Hills Cabresto Pipeline, LLC
Black Hills Colorado, LLC
Black Hills Energy, Inc.
Black Hills Energy Pipeline, LLC
Black Hills Energy Resources, Inc.
Black Hills Energy Terminal, LLC
Black Hills Exploration and Production, Inc.
Black Hills Fountain Valley, LLC
Black Hills Fountain Valley II, LLC
Black Hills Gas Holdings Corp.
Black Hills Gas Resources, Inc.
Black Hills Generation, Inc.
Black Hills Idaho Operations, LLC
Black Hills Ivanpah, LLC
Black Hills Ivanpah GP, LLC
Black Hills Kilgore Energy Pipeline, LLC
Black Hills Kilgore Pipeline Company, L.P.
Black Hills Kilgore Pipeline, Inc.
Black Hills Midstream, LLC
Black Hills Millennium Pipeline, Inc.
Black Hills Millennium Terminal, Inc.
Black Hills Nevada Operations, LLC
Black Hills Nevada Real Estate Holdings, LLC
Black Hills Nevada, LLC
Black Hills Ontario, LLC
Black Hills Operating Company, LLC
Black Hills Pepperell Power Associates, LLC
Black Hills Service Company, LLC
Black Hills Southwest, LLC
Black Hills Valmont Colorado, Inc.
Black Hills Waterville Station, LLC
Black Hills Wyoming, Inc.
Daksoft, Inc.
Desert Arc I, LLC
Desert Arc II, LLC
E-Next A Equipment Leasing Company, LLC
EIF Investors, Inc.
Enserco Energy Inc.
Fountain Valley Power, LLC
Harbor Cogeneration Company, LLC
Las Vegas Cogeneration Energy Financing Company, L.L.C.
Las Vegas Cogeneration II, LLC
Las Vegas Cogeneration Limited Partnership

Millennium Pipeline Company, L.P.
Millennium Terminal Company, L.P.
Sunco, Ltd., a Limited Liability Company
West Cascade Energy, LLC
Wyodak Resources Development Corp.

Exhibit M-1/A2
Amended Form of Utility Money Pool Agreement

FORM OF UTILITY MONEY POOL AGREEMENT

This Utility Money Pool Agreement (the "Agreement"), dated as of July 1, 2005, is made and entered into by and among Black Hills Corporation ("Black Hills"), a South Dakota corporation and a registered holding company under the Public Utility Holding Company Act of 1935, as amended (the "Act"); Black Hills Service Company, LLC ("Black Hills Service"), a South Dakota limited liability company and a non-utility subsidiary of Black Hills (in its role as administrator of the Utility Money Pool); Black Hills Power, Inc. ("Black Hills Power"), a South Dakota corporation and a utility subsidiary of Black Hills (in its role as Repository, Lending Party, Borrowing Party and Utility Subsidiary, each as defined herein); and Cheyenne Light, Fuel and Power Company ("Cheyenne Light"), a Wyoming corporation and a utility subsidiary of Black Hills. Each of Black Hills, Black Hills Service, Black Hills Power, and Cheyenne Light is referred to herein as a "Party," and collectively as the "Parties." Black Hills, Black Hills Power, and Cheyenne Light may be referred to as a "Lending Party," and collectively as the "Lending Parties," as appropriate. Finally, each of Black Hills Power and Cheyenne Light may be referred to as a "Borrowing Party," and collectively as the "Borrowing Parties," also as appropriate.

WITNESSETH:

WHEREAS, the Parties desire to establish a Money Pool (the "Utility Money Pool") to coordinate and provide for certain of the Borrowing Parties' short-term cash and working capital requirements; and

WHEREAS, the Borrowing Parties that will participate in the Utility Money Pool will from time to time have need to borrow funds on a short-term basis, and certain of the Lending Parties will from time to time have funds available to loan on a short-term basis;

NOW, THEREFORE, in consideration of the premises and the mutual agreements, covenants and provisions contained herein, and intending to be legally bound hereby, the Parties hereto agree as follows:

**ARTICLE I
CONTRIBUTIONS AND BORROWINGS**

1.1 Contributions to Utility Money Pool

Each Lending Party will determine each day, on the basis of cash flow projections and other relevant factors, in such Lending Party's sole discretion, the amount of funds it has available for contribution to the Utility Money Pool, and will contribute such funds to the Utility Money Pool. The determination of whether a Lending Party at any time has surplus funds to lend to the Utility Money Pool or shall lend funds to the Utility Money Pool will be made by such Lending Party's chief financial officer or treasurer, or by a designee thereof, on the basis of cash flow projections and other relevant factors, in such Party's sole discretion. Each Lending Party may withdraw any of its funds at any time upon notice to Black Hills Service as administrative agent of the Utility Money Pool.

1.2 Rights to Borrow

Subject to the provisions of Section 1.4(c) of this Agreement, short-term borrowing needs of the Borrowing Parties will be met by funds in the Utility Money Pool to the extent such funds are available. Each Borrowing Party shall have the right to make short-term borrowings from the Utility Money Pool from time to time, subject to the availability of funds and the limitations and conditions set forth herein and in the applicable orders of the Securities and Exchange Commission ("SEC"). Each Borrowing Party may request loans from the Utility Money Pool from time to time during the period from the date hereof until this Agreement is terminated by written agreement of the Parties; provided, however, that the aggregate amount of all loans requested by any Borrowing Party hereunder shall not exceed the applicable borrowing limits set forth in applicable orders of the SEC and other regulatory authorities, resolutions of such Borrowing Party's Board of Directors, such Borrowing Party's governing corporate documents, and agreements binding upon such Borrowing Party. No loans through the Utility Money Pool will be made to, and no borrowings through the Utility Money Pool will be made by, Black Hills.

1.3 Source of Funds

Funds will be available through the Utility Money Pool from the following sources for use by the Borrowing Parties from time to time: (1) surplus funds in the treasuries of the Lending Parties other than Black Hills, (2) surplus funds in the treasury of Black Hills, and (3) proceeds from bank loans, the sale of notes and/or the sale of commercial paper by the Lending Parties ("External Funds"), in each case to the extent permitted by applicable laws and regulatory orders. Funds will be made available from such sources in such order as Black Hills Service, as administrator of the Utility Money Pool, may determine will result in a lower cost of borrowing to Borrowing Parties, consistent with the individual borrowing needs and financial standing of the Lending Parties.

1.4 Authorization

(a) Each loan shall be authorized by the Lending Party's chief financial officer or treasurer, or by a designee thereof.

(b) Black Hills Service, as administrator of the Utility Money Pool, will provide each Party with periodic activity and cash accounting reports that include, among other things, reports of cash activity, the daily balance of loans outstanding and the calculation of interest charged.

(c) All borrowings from the Utility Money Pool shall be authorized by the Borrowing Party's chief financial officer or treasurer, or by a designee thereof. No Borrowing Party shall be required to effect a borrowing through the Utility Money Pool if such Borrowing Party determines that it can (and is authorized to) effect such borrowing at lower cost directly from banks or through the sale of its own commercial paper.

1.5 Interest

The interest rate applicable on any day to then outstanding loans through the Utility Money Pool, whether or not evidenced by a promissory demand note, will be the composite weighted average daily effective cost incurred by the Lending Parties for External Funds outstanding on that date. The daily effective cost shall be inclusive of interest rate swaps related to such External Funds. If there are no External Funds outstanding on that date, then the rate will be the daily one-month LIBOR rate plus 100 basis points.

1.6 Certain Costs

The cost of compensating balances and fees paid to banks to maintain credit lines by Lending Parties lending External Funds to the Utility Money Pool shall initially be paid by the Lending Party maintaining such line. A portion of such costs shall be retroactively allocated every month to the Borrowing Parties borrowing such External Funds through the Utility Money Pool in proportion to their respective daily outstanding borrowings of such External Funds.

1.7 Repayment

Each Borrowing Party receiving a loan from the Utility Money Pool hereunder shall repay the principal amount of such loan, together with all interest accrued thereon, on demand and in any event within 365 days of the date on which such loan was made. All loans made through the Utility Money Pool may be prepaid by the borrower without premium or penalty.

1.8 Form of Loans to Borrowing Parties

Loans to the Borrowing Parties from the Utility Money Pool shall be made as open-account advances, pursuant to the terms of this Agreement. A separate promissory note will not be required for each individual transaction. Instead, a promissory grid note evidencing the terms of the transactions shall be signed by the Parties to the transaction. Any such note shall: (a) be in substantially the form of the note appended as Attachment A to this Agreement; (b) be dated as of the date of the initial borrowing; (c) mature on demand or on a date agreed by the Parties to the transaction, but in any event not later than 365 days after the date of the applicable borrowing; and (d) be repayable in whole at any time or in part from time to time, without premium or penalty.

**ARTICLE II
OPERATION OF UTILITY MONEY POOL**

2.1 Operation

(a) Operation of the Utility Money Pool, including record keeping and coordination of loans, will be handled by Black Hills Service under the authority of the appropriate officers of the Parties. Black Hills Service shall be responsible for the determination of all applicable interest rates and charges to be applied to advances outstanding at any time hereunder, shall maintain records of all advances, interest charges and accruals and interest and principal

payments for purposes hereof, and shall prepare periodic reports thereof for the Parties. Black Hills Service will administer the Utility Money Pool on an “at cost” basis. Separate records shall be kept by Black Hills Service for the Utility Money Pool established by this Agreement and any other money pool administered by Black Hills Service.

(b) Each Loan shall be made from a Lending Party shall be made from such Lending Party to Black Hills Power, in its capacity as the repository of the Utility Money Pool (in such capacity, the “Repository”). Each Loan to a Borrowing Party shall be made from Black Hills Power to the respective Borrowing Party on behalf of the Utility Money Pool. For avoidance of doubt, the Parties agree that Black Hills Power may also be a Borrowing Party or a Lending Party hereunder.

2.2 Investment of Surplus Funds in the Utility Money Pool

Funds not required for the Utility Money Pool loans (with the exception of funds required to satisfy the Utility Money Pool’s liquidity requirements) will ordinarily be invested in one or more short-term investments, including (i) interest-bearing accounts with banks; (ii) obligations issued or guaranteed by the U.S. government and/or its agencies and instrumentalities, including obligations under repurchase agreements; (iii) obligations issued or guaranteed by any state or political subdivision thereof, provided that such obligations are rated not less than A by a nationally recognized rating agency; (iv) commercial paper rated not less than A-1 by S&P or P-1 by Moody’s, or their equivalent by a nationally recognized rating agency; (v) money market funds; (vi) bank certificates of deposit; (vii) Eurodollar funds; and (viii) such other investments as are permitted by Section 9(c) of the Act and Rule 40 thereunder.

2.3 Allocation of Interest Income and Investment Earnings

The interest income and other investment income earned by the Utility Money Pool on loans and investment of surplus funds will be allocated among the Parties in accordance with the proportion each Lending Party’s contribution of funds in the Utility Money Pool bears to the total amount of funds in the Utility Money Pool and the cost of any External Funds provided to the Utility Money Pool by such Lending Party. Interest and other investment earnings will be computed on a daily basis and settled once per month.

2.4 Event of Default

If any Borrowing Party shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors, or any proceeding shall be instituted by or against any Borrowing Party seeking to adjudicate it bankrupt or insolvent, then Black Hills Service, on behalf of the Utility Money Pool, may, by notice to the Borrowing Party, terminate the Utility Money Pool’s commitment to the Borrowing Party and/or declare the principal amount then outstanding of, and the accrued interest on, the loans and all other amounts payable to the Utility Money Pool by the Borrowing Party hereunder to be forthwith due and payable, whereupon such amounts shall be immediately due and payable without presentment, demand, protest or other formalities of any kind, all of which are hereby expressly waived by each Borrowing Party.

**ARTICLE III
MISCELLANEOUS**

3.1 Amendments

No amendment to this Agreement shall be adopted except in a writing executed by Parties and subject to all applicable approvals by the SEC and the applicable state utility regulatory commission.

3.2 Legal Responsibility

Nothing herein contained shall render any Party liable for the obligations of any other Party hereunder and the rights, obligations and liabilities of the Parties are several in accordance with their respective obligations, and not joint.

3.3 Rules for Implementation

The Parties may develop a set of guidelines for implementing the provisions of this Agreement, provided that the guidelines are consistent with all of the provisions of this Agreement.

3.4 Governing Law

This Agreement shall be governed by and construed in accordance with, the laws of the State of South Dakota.

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the duly authorized officer of each Party hereto as of the date first above written.

BLACK HILLS CORPORATION

By: _____
Name:
Title:

BLACK HILLS SERVICE COMPANY, LLC

By: _____
Name:
Title:

BLACK HILLS POWER, INC.

By: _____
Name:
Title:

CHEYENNE LIGHT, FUEL AND POWER COMPANY

By: _____
Name:
Title:

Date: July ____, 2005

Attachment A

FORM OF PROMISSORY NOTE

FOR VALUE RECEIVED, the undersigned, _____ (“Borrower”), a Borrowing Party under the Utility Money Pool Agreement, dated July 1, 2005 (the “Money Pool Agreement”), hereby promises to pay to the order of the respective Lending Party, as defined in the Money Pool Agreement, at its principal office in Rapid City, South Dakota, on demand but in any event not later than 365 days after the date of such loan, the principal sum set forth on the grid below as “Principal Amount Outstanding.” This note may be prepaid in full at any time or in part from time to time without premium or penalty. The Principal Amount Outstanding shall bear interest, calculated daily, at a rate stated in the grid below. Interest will be calculated on the daily Principal Amount Outstanding as indicated on the grid below.

[BORROWER]

By: _____
Name:
Title:
Date:

Date	Loan (Repayment)	Principal Loan Outstanding	Rate	Interest
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Exhibit M-2/A2
Amended Form of Non-Utility Money Pool Agreement

FORM OF NON-UTILITY MONEY POOL AGREEMENT

This Non-Utility Money Pool Agreement (the "Agreement"), dated as of July 1, 2005, is made and entered into by and among Black Hills Corporation ("Black Hills"), a South Dakota corporation and a registered holding company under the Public Utility Holding Company Act of 1935, as amended (the "Act"); Black Hills Service Company, LLC ("Black Hills Service"), a South Dakota limited liability company and a non-utility subsidiary of Black Hills (in its role as administrator of the Non-Utility Money Pool and as a participant in the money pool); Black Hills Energy, Inc. ("Black Hills Energy"), a South Dakota corporation and a non-utility subsidiary of Black Hills (in its role as Repository, Lending Party, Borrowing Party and Non-Utility Subsidiary, each as defined herein); and each of the non-utility subsidiaries of Black Hills whose name appears on Schedule I hereto (collectively, the "Non-Utility Subsidiaries"). Each of Black Hills, Black Hills Service, Black Hills Energy and the Non-Utility Subsidiaries is referred to herein as a "Party," and collectively as the "Parties." Black Hills and each Non-Utility Subsidiary may be referred to as a "Lending Party," and collectively as the "Lending Parties," as appropriate. Finally, each of the Non-Utility Subsidiaries may be referred to as a "Borrowing Party," and collectively as the "Borrowing Parties," also as appropriate.

WITNESSETH:

WHEREAS, the Parties desire to establish a Money Pool (the "Non-Utility Money Pool") to coordinate and provide for certain of the Borrowing Parties' short-term cash and working capital requirements; and

WHEREAS, the Borrowing Parties that will participate in the Non-Utility Money Pool will from time to time have need to borrow funds on a short-term basis, and certain of the Lending Parties will from time to time have funds available to loan on a short-term basis;

NOW, THEREFORE, in consideration of the premises and the mutual agreements, covenants and provisions contained herein, and intending to be legally bound hereby, the Parties hereto agree as follows:

**ARTICLE I
CONTRIBUTIONS AND BORROWINGS**

1.1 Contributions to Non-Utility Money Pool

Each Lending Party will determine each day, on the basis of cash flow projections and other relevant factors, in such Lending Party's sole discretion, the amount of funds it has available for contribution to the Non-Utility Money Pool, and will contribute such funds to the Non-Utility Money Pool. The determination of whether a Lending Party at any time has surplus funds to lend to the Non-Utility Money Pool or shall lend funds to the Non-Utility Money Pool will be made by an appropriate officer of such Lending Party, or by a designee thereof, on the basis of cash flow projections and other relevant factors, in such Party's sole discretion. Each Lending Party may withdraw any of its funds at any time upon notice to Black Hills Service as administrative agent of the Non-Utility Money Pool.

1.2 Rights to Borrow

Subject to the provisions of Section 1.4(c) of this Agreement, short-term borrowing needs of the Borrowing Parties, with the exception of Black Hills, will be met by funds in the Non-Utility Money Pool to the extent such funds are available. Each Borrowing Party shall have the right to make short-term borrowings from the Non-Utility Money Pool from time to time, subject to the availability of funds and the limitations and conditions set forth herein and in the applicable orders of the Securities and Exchange Commission (“SEC”). Each Borrowing Party may request loans from the Non-Utility Money Pool from time to time during the period from the date hereof until this Agreement is terminated by written agreement of the Parties; provided, however, that the aggregate amount of all loans requested by any Borrowing Party hereunder shall not exceed the applicable borrowing limits set forth in applicable orders of the SEC and other regulatory authorities, resolutions of such Borrowing Party’s Board of Directors or similar governing body, such Party’s governing corporate documents, and agreements binding upon such Borrowing Party. No loans through the Non-Utility Money Pool will be made to, and no borrowings through the Non-Utility Money Pool will be made by, Black Hills.

1.3 Source of Funds

Funds will be available through the Non-Utility Money Pool from the following sources for use by the Borrowing Parties from time to time: (1) surplus funds in the treasuries of Lending Parties other than Black Hills, (2) surplus funds in the treasury of Black Hills, and (3) proceeds from bank loans, the sale of notes and/or the sale of commercial paper by the Lending Parties (“External Funds”), in each case to the extent permitted by applicable laws and regulatory orders. Funds will be made available from such sources in such order as Black Hills Service, as administrator of the Non-Utility Money Pool, may determine will result in a lower cost of borrowing to Borrowing Parties, consistent with the individual borrowing needs and financial standing of the Lending Parties.

1.4 Authorization

(a) Each loan shall be authorized by the Lending Party’s chief financial officer or treasurer, or by a designee thereof.

(b) Black Hills Service, as administrator of the Non-Utility Money Pool, will provide each Party with periodic activity and cash accounting reports that include, among other things, reports of cash activity, the daily balance of loans outstanding and the calculation of interest charged.

(c) All borrowings from the Non-Utility Money Pool shall be authorized by the Borrowing Party’s chief financial officer or treasurer, or by a designee thereof. No Borrowing Party shall be required to effect a borrowing through the Non-Utility Money Pool if such Borrowing Party determines that it can (and is authorized to) effect such borrowing at lower cost directly from banks or through the sale of its own commercial paper.

1.5 Interest

The interest rate applicable on any day to then outstanding loans through the Non-Utility Money Pool, whether or not evidenced by a promissory demand note, will be the composite weighted average daily effective cost incurred by the Lending Parties for External Funds outstanding on that date. The daily effective cost shall be inclusive of interest rate swaps related to such External Funds. If there are no External Funds outstanding on that date, then the rate will be the daily one-month LIBOR rate plus 100 basis points.

1.6 Certain Costs

The cost of compensating balances and fees paid to banks to maintain credit lines by Lending Parties lending External Funds to the Non-Utility Money Pool shall initially be paid by the Lending Party maintaining such line. A portion of such costs shall be retroactively allocated every month to the Borrowing Parties borrowing such External Funds through the Non-Utility Money Pool in proportion to their respective daily outstanding borrowings of such External Funds.

1.7 Repayment

Each Borrowing Party receiving a loan from the Non-Utility Money Pool hereunder shall repay the principal amount of such loan, together with all interest accrued thereon, (a) in the case of a Demand Loan (as defined in Section 1.8 below), on demand, or (b) in the case of a 365 Day Loan (as defined in Section 1.8 below) at maturity, but in any event within 365 days of the date on which such loan was made. All loans made through the Non-Utility Money Pool may be prepaid by the borrower without premium or penalty.

1.8 Form of Loans to Borrowing Parties

Loans to the Borrowing Parties from the Non-Utility Money Pool shall be made as open-account advances, pursuant to the terms of this Agreement. A separate promissory note will not be required for each individual transaction. Instead, a promissory note evidencing the terms of the transactions shall be signed by the Parties to the transaction. Any such note shall: (a) be in substantially the form of the note appended as Attachment A to this Agreement; (b) be dated as of the date of the initial borrowing; (c) (i) in the case of a loan which the Parties elect to have payable on demand (a "Demand Loan"), mature on demand, or (ii) in the case of a loan which the Parties elect to have payable within 365 days of its borrowing (a "365 Day Loan"), mature on a date agreed by the Parties to the transaction, but in any event not later than 365 days after the date of the applicable borrowing; and (d) be repayable in whole at any time or in part from time to time, without premium or penalty.

ARTICLE II
OPERATION OF NON-UTILITY MONEY POOL

2.1 Operation

(a) Operation of the Non-Utility Money Pool, including record keeping and coordination of loans, will be handled by Black Hills Service under the authority of the appropriate officers of the Parties. Black Hills Service shall be responsible for the determination of all applicable interest rates and charges to be applied to advances outstanding at any time hereunder, shall maintain records of all advances, interest charges and accruals and interest and principal payments for purposes hereof, and shall prepare periodic reports thereof for the Parties. Black Hills Service will administer the Non-Utility Money Pool on an "at cost" basis. Separate records shall be kept by Black Hills Service for the Non-Utility Money Pool established by this Agreement and any other money pool administered by Black Hills Service.

(b) Each Loan shall be made from a Lending Party shall be made from such Lending Party to Black Hills Energy, in its capacity as the repository of the Non-Utility Money Pool (in such capacity, the "Repository"). Each Loan to a Borrowing Party shall be made from Black Hills Energy to the respective Borrowing Party on behalf of the Non-Utility Money Pool. For avoidance of doubt, the Parties agree that Black Hills Energy may also be a Borrowing Party or a Lending Party hereunder.

2.2 Investment of Surplus Funds in the Non-Utility Money Pool

Funds not required for the Non-Utility Money Pool loans (with the exception of funds required to satisfy the Non-Utility Money Pool's liquidity requirements) will ordinarily be invested in one or more short-term investments, including (i) interest-bearing accounts with banks; (ii) obligations issued or guaranteed by the U.S. government and/or its agencies and instrumentalities, including obligations under repurchase agreements; (iii) obligations issued or guaranteed by any state or political subdivision thereof, provided that such obligations are rated not less than A by a nationally recognized rating agency; (iv) commercial paper rated not less than A-1 by S&P or P-1 by Moody's, or their equivalent by a nationally recognized rating agency; (v) money market funds; (vi) bank certificates of deposit; (vii) Eurodollar funds; and (viii) such other investments as are permitted by Section 9(c) of the Act and Rule 40 thereunder.

2.3 Allocation of Interest Income and Investment Earnings

The interest income and other investment income earned by the Non-Utility Money Pool on loans and investment of surplus funds will be allocated among the Parties in accordance with the proportion each Lending Party's contribution of funds in the Non-Utility Money Pool bears to the total amount of funds in the Non-Utility Money Pool and the cost of any External Funds provided to the Non-Utility Money Pool by such Lending Party. Interest and other investment earnings will be computed on a daily basis and settled once per month.

2.4 Event of Default

If any Borrowing Party shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors, or any proceeding shall be instituted by or against any Borrowing Party seeking to adjudicate it bankrupt or insolvent, then Black Hills Service, on behalf of the Non-Utility Money Pool, may, by notice to the Borrowing Party, terminate the Non-Utility Money Pool's commitment to the Borrowing Party and/or declare the principal amount then outstanding of, and the accrued interest on, the loans and all other amounts payable to the Non-Utility Money Pool by the Borrowing Party hereunder to be forthwith due and payable, whereupon such amounts shall be immediately due and payable without presentment, demand, protest or other formalities of any kind, all of which are hereby expressly waived by each Borrowing Party.

**ARTICLE III
MISCELLANEOUS**

3.1 Amendments

No amendment to this Agreement shall be adopted except in a writing executed by Parties and subject to all applicable approvals by the SEC and the applicable state utility regulatory commission.

3.2 Legal Responsibility

Nothing herein contained shall render any Party liable for the obligations of any other Party hereunder and the rights, obligations and liabilities of the Parties are several in accordance with their respective obligations, and not joint.

3.3 Rules for Implementation

The Parties may develop a set of guidelines for implementing the provisions of this Agreement, provided that the guidelines are consistent with all of the provisions of this Agreement.

3.4 Governing Law

This Agreement shall be governed by and construed in accordance with, the laws of the State of South Dakota.

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the duly authorized officer of each Party hereto as of the date first above written.

BLACK HILLS CORPORATION

By: _____
Name:
Title:

BLACK HILLS SERVICE COMPANY, LLC

By: _____
Name:
Title:

BLACK HILLS ENERGY, INC.

By: _____
Name:
Title:

THE NON-UTILITY SUBSIDIARY OF BLACK HILLS CORPORATION IDENTIFIED ON SCHEDULE I HERETO

By: _____
Name:
Title:

Date: July ____, 2005

Attachment A

FORM OF PROMISSORY NOTE

FOR VALUE RECEIVED, the undersigned, _____ (“Borrower”), a Borrowing Party under the Non-Utility Money Pool Agreement, dated July 1, 2005 (the “Money Pool Agreement”), hereby promises to pay to the order of the respective Lending Party, as defined in the Money Pool Agreement, at its principal office in Rapid City, South Dakota, in the case of a Demand Loan (as defined in the Money Pool Agreement), on demand, and in the case of a 365 Day Loan (as defined in the Money Pool Agreement), on a date selected by the Parties but in any event not later than 365 days after the date of such loan (in either case, as indicated in the grid below), the principal sum set forth on the grid below as “Principal Amount Outstanding.” This note may be prepaid in full at any time or in part from time to time without premium or penalty. The Principal Amount Outstanding shall bear interest, calculated daily, at a rate stated in the grid below. Interest will be calculated on the daily Principal Amount Outstanding as indicated on the grid below.

[BORROWER]

By: _____
Name:
Title:
Date:

Date	Due Date (for 365 Day Loan) or Demand	Loan (Repayment)	Principal Loan Outstanding	Rate	Interest
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SCHEDULE I

NON-UTILITY SUBSIDIARIES OF BLACK HILLS CORPORATION

Black Hills Cabresto Pipeline, LLC
Black Hills Colorado, LLC
Black Hills Energy, Inc.
Black Hills Energy Pipeline, LLC
Black Hills Energy Resources, Inc.
Black Hills Energy Terminal, LLC
Black Hills Exploration and Production, Inc.
Black Hills Fountain Valley, LLC
Black Hills Fountain Valley II, LLC
Black Hills Gas Holdings Corp.
Black Hills Gas Resources, Inc.
Black Hills Generation, Inc.
Black Hills Idaho Operations, LLC
Black Hills Ivanpah, LLC
Black Hills Ivanpah GP, LLC
Black Hills Kilgore Energy Pipeline, LLC
Black Hills Kilgore Pipeline Company, L.P.
Black Hills Kilgore Pipeline, Inc.
Black Hills Midstream, LLC
Black Hills Millennium Pipeline, Inc.
Black Hills Millennium Terminal, Inc.
Black Hills Nevada Operations, LLC
Black Hills Nevada Real Estate Holdings, LLC
Black Hills Nevada, LLC
Black Hills Ontario, LLC
Black Hills Operating Company, LLC
Black Hills Pepperell Power Associates, LLC
Black Hills Service Company, LLC
Black Hills Southwest, LLC
Black Hills Valmont Colorado, Inc.
Black Hills Waterville Station, LLC
Black Hills Wyoming, Inc.
Daksoft, Inc.
Desert Arc I, LLC
Desert Arc II, LLC
E-Next A Equipment Leasing Company, LLC
EIF Investors, Inc.
Enserco Energy Inc.
Fountain Valley Power, LLC

Harbor Cogeneration Company, LLC
Las Vegas Cogeneration Energy Financing Company, L.L.C.
Las Vegas Cogeneration II, LLC
Las Vegas Cogeneration Limited Partnership
Millennium Pipeline Company, L.P.
Millennium Terminal Company, L.P.
Sunco, Ltd., a Limited Liability Company
West Cascade Energy, LLC
Wyodak Resources Development Corp.