
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): May 16, 2003

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, P.O. Box 1400, Rapid City, South Dakota
(Address of principal executive offices)

57709
(Zip Code)

Registrant's telephone number, including area code (605) 721-1700

Not applicable
(Former name or former address, if changed since last report)

Item 5. Other Events.

On November 27, 2002, Black Hills Corporation (the "Company") filed a Registration Statement on Form S-3, File No. 333-101541, and, on January 13, 2003 and February 4, 2003, the Company filed amendments thereto (collectively, with such amendments, the "Registration Statement"), with the Securities and Exchange Commission (the "Commission") relating to the public offering, pursuant to Rule 415 under the Securities Act of 1933, as amended, of up to an aggregate of \$400,000,000 in securities of the Company. On February 5, 2003, the Commission declared the Registration Statement effective.

On May 20, 2003, the Company filed with the Commission a supplement to the Prospectus, dated May 16, 2003 (the "Prospectus Supplement"), relating to the issuance and sale in an underwritten public offering of \$250,000,000 in aggregate principal amount of 6.50% Notes due 2013 of the Company (the "Notes"). In connection with the filing of the Prospectus Supplement with the Commission, the Company is filing certain exhibits as part of this Form 8-K. See "Item 7. Financial Statements and Exhibits."

Item 7. Financial Statements and Exhibits.

(c) Exhibits.

The following exhibits are filed with this report on Form 8-K.

<u>Exhibit No.</u>	<u>Description</u>
1.1	Underwriting Agreement dated May 16, 2003 among the Company and Credit Suisse First Boston LLC and Lehman Brothers Inc., as representatives of the underwriters, with respect to the issuance and sale by the Company of the Notes.
4.1	Form of First Supplemental Indenture dated as of May 21, 2003 between the Company and LaSalle Bank National Association, as Trustee.
5.1	Opinion of Steven J. Helmers regarding the legality and enforceability of the Notes.
5.2	Opinion of Conner & Winters, P.C.
12.1	Statements Regarding Computation of Ratio of Earnings to Fixed Charges, Ratio of Earnings to Fixed Charges and Preferred Stock Dividends, Pro Forma Ratio of Earnings to Fixed Charges and Pro Forma Ratio of Earnings to Fixed Charges and Preferred Stock Dividends.
23.1	Consent of Steven J. Helmers (included in Exhibit 5.1).
23.2	Consent of Conner & Winters, P.C. (included in Exhibit 5.2).
25.1	Form T-1 Statement of Eligibility of LaSalle Bank National Association.

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

Date: May 20, 2003

By: /s/ Roxann R. Basham

Roxann R. Basham
Vice President – Controller

Exhibit Index

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\$250,000,000

Black Hills Corporation

6.50% Notes due 2013

UNDERWRITING AGREEMENT

May 16, 2003

CREDIT SUISSE FIRST BOSTON LLC
Eleven Madison Avenue
New York, New York 10010-3629

LEHMAN BROTHERS INC.
745 Seventh Avenue
New York, New York 10019

As Representatives of the Several Underwriters,

Dear Sirs:

1. *Introductory.* Black Hills Corporation, a South Dakota corporation (“**Company**”), proposes to issue and sell \$250,000,000 principal amount (“**Offered Securities**”) of its 6.50% Notes due 2013 (“**Securities**”), to Credit Suisse First Boston LLC (“**CSFB**”) and Lehman Brothers Inc. (“**Lehman**” and, together with CSFB, the “**Representatives**”) and each of the other Underwriters named in Schedule A hereto (“**Underwriters**”). The Offered Securities are to be issued under an Indenture, to be dated as of May 21, 2003 (the “**Base Indenture**”), as supplemented by the First Supplemental Indenture, to be dated as of May 21, 2003 (the “**Supplemental Indenture**” and, together with the Base Indenture, the “**Indenture**”) between the Company and LaSalle Bank National Association, as trustee (the “**Trustee**”). The Company hereby agrees with the Underwriters as follows:

2. *Representations and Warranties of the Company.* The Company represents and warrants to, and agrees with, the several Underwriters that:

(a) A registration statement (No. 333-101541), including a prospectus, relating to the Securities and certain other securities of the Company, has been filed with the Securities and Exchange Commission (“**Commission**”) and has been declared effective under the Securities Act of 1933, as amended (“**Act**”). Such registration statement, as amended as of the date of this Agreement, is hereinafter referred to as the “**Registration Statement**”, and the prospectus included in such Registration Statement, as supplemented to reflect the terms of the Offered Securities and the terms of the offering thereof, as first filed with the Commission pursuant to and in accordance with Rule 424(b) (“**Rule 424(b)**”) under the Act, including all

material incorporated by reference therein, is hereinafter referred to as the “**Prospectus**”. No document has been or will be prepared or distributed in reliance on Rule 434 under the Act.

(b) On the effective date of the Registration Statement, the Registration Statement conformed in all material respects to the requirements of the Act, the Trust Indenture Act of 1939, as amended (the “**Trust Indenture Act**”), and the rules and regulations of the Commission (“**Rules and Regulations**”) and did not include any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, and on the date of this Agreement, the Registration Statement and the Prospectus conform in all material respects to the requirements of the Act, the Trust Indenture Act and the Rules and Regulations, and neither the Registration Statement nor the Prospectus include any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, except that the foregoing does not apply (i) to statements in or omissions from either the Registration Statement or the Prospectus based upon written information furnished to the Company by any Underwriter through the Representatives specifically for use therein, it being understood and agreed that the only such information is that described in Section 7(b) hereof or (ii) to that part of the Registration Statement that constitutes the Statement of Eligibility (Form T-1) under the Trust Indenture Act of the Trustee (the “**Form T-1**”).

(c) The Company has filed all documents with the Commission that it is required to file under the Act and the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), as applicable, and the Rules and Regulations, and such documents when they were filed with the Commission conformed in all material respects to the requirements of the Act or the Exchange Act, as applicable, and the Rules and Regulations; and each document so filed or to be filed and incorporated by reference in the Prospectus, complied or will comply when so filed in all material respects to the requirements of the Act or the Exchange Act, as applicable, and the Rules and Regulations and, when read together with the other information in the Prospectus, do not or will not as of the Closing Date (as defined below), include any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading.

(d) The Company has been duly incorporated and is an existing corporation in good standing under the laws of the State of South Dakota, with power and authority (corporate and other) to own its properties and conduct its business as described in the Prospectus; and the Company is duly qualified to do business as a foreign corporation in good standing in all other jurisdictions in which its ownership or lease of property or the conduct of its business requires such qualification.

(e) Each subsidiary of the Company has been duly incorporated or organized, as the case may be, and is an existing corporation, limited partnership, general partnership or limited liability company in good standing under the laws of the jurisdiction of its incorporation or organization, as the case may be, with power and authority (corporate and other) to own its properties and conduct its business as described in the Prospectus; and each subsidiary of the Company is duly qualified to do business as a foreign corporation, limited partnership, general partnership or limited liability company, as the case may be, in good standing in all other jurisdictions in which its ownership or lease of property or the conduct of

its business requires such qualification, except where the failure to be so qualified and in good standing would not individually or in the aggregate have a material adverse effect on the condition (financial or other), business, properties or results of operations of the Company and its subsidiaries taken as a whole (“**Material Adverse Effect**”); all of the issued and outstanding capital stock or partnership or limited liability company interests, as the case may be, of each subsidiary of the Company has been duly authorized and validly issued and, in the case of capital stock, is fully paid and nonassessable; and the capital stock or partnership or limited liability company interests, as the case may be, of each subsidiary owned by the Company, directly or through subsidiaries, is owned free from liens, encumbrances and defects, except (i) for such liens or other encumbrances arising with respect to the capital stock of, or partnership or limited liability company interest in, subsidiaries as a result of project financing arrangements entered into by the Company through any such subsidiary or (ii) as disclosed in the Prospectus.

(f) The Indenture has been duly authorized and has been duly qualified under the Trust Indenture Act with respect to the Offered Securities; the Offered Securities have been duly authorized; and when the Offered Securities are delivered and paid for pursuant to this Agreement on the Closing Date (as defined below), the Indenture will have been duly executed and delivered, such Offered Securities will have been duly executed, authenticated, issued and delivered and will conform to the description thereof contained in the Prospectus, and the Indenture and such Offered Securities will constitute valid and legally binding obligations of the Company, enforceable in accordance with their terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors’ rights and to general equity principles.

(g) Except as disclosed in the Prospectus, there are no contracts, agreements or understandings between the Company and any person that would give rise to a valid claim against the Company or any Underwriter for a brokerage commission, finder’s fee or other like payment in connection with this offering.

(h) Except for that certain Registration Rights Agreement, dated as of June 30, 2000, between the Company and the other parties named therein, which is an exhibit to a Commission filing incorporated by reference into the Registration Statement, there are no contracts, agreements or understandings between the Company and any person granting such person the right to require the Company to file a registration statement under the Act with respect to any securities of the Company owned or to be owned by such person or to require the Company to include such securities in the securities registered pursuant to the Registration Statement or in any securities being registered pursuant to any other registration statement filed by the Company under the Act.

(i) No consent, approval, authorization, or order of, or filing with, any governmental agency or body or any court is required for the consummation of the transactions contemplated by the Indenture or this Agreement in connection with the issuance and sale of the Offered Securities by the Company, except such as have been obtained and made under the Act and the Trust Indenture Act and such as may be required under state securities laws.

(j) The execution, delivery and performance of the Indenture and this Agreement, and the issuance and sale of the Offered Securities and compliance with the terms and provisions thereof will not result in a breach or violation of any of the terms and provisions of, or constitute a default under, (i) any statute, any rule, regulation or order of any governmental agency or body or any court, domestic or foreign, having jurisdiction over the Company or any subsidiary of the Company or any of their properties, or (ii) any agreement or instrument to which the Company or any such subsidiary is a party or by which the Company or any such subsidiary is bound or to which any of the properties of the Company or any such subsidiary is subject, or (iii) the charter or by-laws of the Company or any such subsidiary, except in the case of clauses (i) and (ii) for such breaches, violations or defaults that would not individually or in the aggregate have a Material Adverse Effect; and the Company has full corporate power and authority to authorize, issue and sell the Offered Securities as contemplated by this Agreement.

(k) This Agreement has been duly authorized, executed and delivered by the Company.

(l) Except as disclosed in the Prospectus, the Company and its subsidiaries have good and defensible title to all interests in oil and gas properties owned by them and good and marketable title to all other real properties and all other properties and assets owned by them that are material to the Company and its subsidiaries taken as a whole, in each case free from liens, encumbrances and defects that would materially affect the value thereof or materially interfere with the use made or to be made thereof by them; and except as disclosed in the Prospectus, the Company and its subsidiaries hold any leased real or personal property that is material to the Company and its subsidiaries taken as a whole under valid and enforceable leases with no exceptions that would materially interfere with the use made or to be made thereof by them.

(m) Except as disclosed in the Prospectus, the Company and its subsidiaries possess adequate certificates, authorities, licenses or permits issued by appropriate governmental agencies or bodies necessary to conduct the business now operated by them and have not received any notice of proceedings relating to the revocation or modification of any such certificate, authority, license or permit that, if determined adversely to the Company or any of its subsidiaries, would individually or in the aggregate have a Material Adverse Effect.

(n) No labor dispute with the employees of the Company or any subsidiary exists or, to the knowledge of the Company, is imminent that might have a Material Adverse Effect.

(o) The Company and its subsidiaries own, possess, have the right to use or can acquire on reasonable terms, adequate trademarks, trade names and other rights to inventions, know-how, patents, copyrights, confidential information and other intellectual property (collectively, “**intellectual property rights**”) necessary to conduct the business now operated by them, or presently employed by them, and have not received any notice of infringement of or conflict with asserted rights of others with respect to any intellectual property rights that, if determined adversely to the Company or any of its subsidiaries, would individually or in the aggregate have a Material Adverse Effect.

(p) Except as disclosed in the Prospectus, neither the Company nor any of its subsidiaries is in violation of any statute, any rule, regulation, decision or order of any governmental agency or body or any court, domestic or foreign, relating to the use, disposal or release of hazardous or toxic substances or relating to the protection or restoration of the environment or human exposure to hazardous or toxic substances (collectively, “**environmental laws**”), owns or operates any real property contaminated with any substance that is subject to any environmental laws, is liable for any off-site disposal or contamination pursuant to any environmental laws, or is subject to any claim relating to any environmental laws, which violation, contamination, liability or claim would individually or in the aggregate have a Material Adverse Effect; and the Company is not aware of any pending investigation which might lead to such a claim.

(q) Except as disclosed in the Prospectus, there are no pending actions, suits or proceedings against or affecting the Company, any of its subsidiaries or any of their respective properties that, if determined adversely to the Company or any of its subsidiaries, would individually or in the aggregate have a Material Adverse Effect, or would materially and adversely affect the ability of the Company to perform its obligations under the Indenture or this Agreement, or which are otherwise material in the context of the sale of the Offered Securities; and, except as disclosed in the Prospectus, no such actions, suits or proceedings are, to the Company’s knowledge, threatened or contemplated.

(r) Deloitte & Touche LLP has certified the financial statements of the Company and certain subsidiaries of the Company as of December 31, 2002, 2001 and 2000 and for the years then ended incorporated by reference in the Registration Statement and Prospectus, and is an independent public accountant as required by the Act and the Rules and Regulations. The historical consolidated financial statements of the Company incorporated by reference in the Registration Statement and the Prospectus present fairly the financial position of the Company and its consolidated subsidiaries as of the dates shown and their results of operations and cash flows for the periods shown, and such financial statements have been prepared in conformity with the generally accepted accounting principles in the United States applied on a consistent basis and the schedules incorporated by reference in the Registration Statement present fairly the information required to be stated therein; the pro forma consolidated financial statements and data incorporated by reference in the Registration Statement and Prospectus have been prepared on a basis consistent with the historical financial statements and include all material adjustments to the historical financial information required by Rule 11-02 of Regulation S-X under the Act and the Exchange Act, to reflect the transactions described therein; and the assumptions used in preparing the pro forma financial statements and data incorporated by reference in the Registration Statement and the Prospectus provide a reasonable basis for presenting the significant effects directly attributable to the transactions or events described therein, the related pro forma adjustments give appropriate effect to those assumptions, and the pro forma columns therein reflect the proper application of those adjustments to the corresponding historical financial statement amounts.

(s) Except as disclosed in the Prospectus, since the date of the latest audited consolidated financial statements of the Company incorporated by reference in the Prospectus, there has been no material adverse change, nor any development or event involving a prospective material adverse change, in the condition (financial or other), business, properties

or results of operations of the Company and its subsidiaries taken as a whole, and, except as disclosed in or contemplated by the Prospectus, there has been no dividend or distribution of any kind declared, paid or made by the Company on any class of its capital stock other than any regular quarterly cash dividend declared by the Company on its common stock or on its securities convertible into shares of common stock.

(t) The Company is not and, after giving effect to the offering and sale of the Offered Securities and the application of the proceeds thereof as described in the Prospectus, will not be an "investment company" as defined in the Investment Company Act of 1940.

(u) The Company is subject to Section 13 or 15(d) of the Exchange Act and files reports with the Commission on the Electronic Data Gathering, Analysis and Retrieval (EDGAR) System.

(v) Each preliminary prospectus or preliminary prospectus supplement filed as part of the Registration Statement as originally filed or as part of any amendment thereto, or filed pursuant to Rule 424, complied when so filed in all material respects with the Act and the Rules and Regulations.

(w) The Company is a public utility holding company that is exempt from regulation under the Public Utility Holding Company Act of 1935 ("PUHCA") (except for Sections 9(a)(2) and 10 thereof) pursuant to Section 3(a) of PUHCA.

(x) The Company has established and maintains disclosure controls and procedures (as such term is defined in Rule 13a-14 under the Exchange Act); (ii) such disclosure controls and procedures are designed to ensure that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is accumulated and communicated to the Company's management, including its principal executive officer and its principal financial officer, as appropriate, to allow timely decisions regarding disclosure; and (iii) such disclosure controls and procedures are effective in all material respects to perform the functions for which they were established.

(y) Since the date of the filing of the Company's Annual Report on Form 10-K for the year ended December 31, 2002, the Company's auditors and the audit committee of the board of directors of the Company (or persons fulfilling the equivalent function) have not been advised of (i) any significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarize and report financial data nor any material weaknesses in internal controls; and (ii) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls.

(z) Since the date of the filing of the Company's Annual Report on Form 10-K for the year ended December 31, 2002, there have been no significant changes in internal controls or in other factors that could significantly affect internal controls, including any corrective actions with regard to significant deficiencies and material weaknesses.

3. *Purchase, Sale and Delivery of Offered Securities.* On the basis of the representations, warranties and agreements herein contained, but subject to the terms and conditions herein set forth, the Company agrees to sell to the Underwriters, and the Underwriters agree, severally and not jointly, to purchase from the Company, at a purchase price of 99.221% of the principal amount thereof plus accrued interest from May 21, 2003 to the Closing Date (as herein after defined), the respective principal amounts of Offered Securities set forth opposite the names of the Underwriters in Schedule A hereto.

The Company will deliver against payment of the purchase price the Offered Securities in the form of one or more permanent global Securities (the “**Offered Global Securities**”) deposited with the Trustee as custodian for The Depository Trust Company (“**DTC**”) and registered in the name of Cede & Co., as nominee for DTC. Interests in any permanent global Securities will be held only in book-entry form through DTC, except in the limited circumstances described in the Prospectus. Payment for the Offered Securities shall be made by the Underwriters in Federal (same day) funds by official bank check or checks or wire transfer to an account at a bank acceptable to the Representatives drawn to the order of the Company at the offices of Skadden, Arps, Slate, Meagher & Flom LLP, Four Times Square, New York, New York 10036, at 9:00 A.M., New York time, on May 21, 2003, or at such other time not later than seven full business days thereafter as the Representatives and the Company determine, such time being herein referred to as the “**Closing Date**”, against delivery to the Trustee as custodian for DTC of the Offered Global Securities representing all of the Offered Securities. The Offered Global Securities will be made available for checking at the above offices of Skadden, Arps, Slate, Meagher & Flom LLP at least 24 hours prior to the Closing Date.

4. *Offering by Underwriters.* It is understood that the several Underwriters propose to offer the Offered Securities for sale to the public as set forth in the Prospectus.

5. *Certain Agreements of the Company.* The Company agrees with the several Underwriters that:

(a) The Company will file the Prospectus with the Commission pursuant to and in accordance with Rule 424(b)(2) (or, if applicable and if consented to by the Representatives, subparagraph (5)) not later than the second business day following the execution and delivery of this Agreement. The Company will advise the Representatives promptly of any such filing pursuant to Rule 424(b).

(b) The Company will advise the Representatives promptly of any proposal to amend or supplement the Registration Statement or the Prospectus and will not effect such amendment or supplementation without the consent of the Representatives; and the Company will also advise the Representatives promptly of the filing of any such amendment or supplement and of the institution by the Commission of any stop order proceedings in respect of the Registration Statement and will use its best efforts to prevent the issuance of any such stop order and to obtain as soon as possible its lifting, if issued.

(c) If, at any time when a prospectus relating to the Offered Securities is required to be delivered under the Act in connection with sales by any Underwriter or dealer, any event occurs as a result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary to make the

statements therein, in the light of the circumstances under which they were made, not misleading, or if it is necessary at any time to amend the Prospectus to comply with the Act, the Company will promptly notify the Representatives of such event and will promptly prepare and file with the Commission, at its own expense, an amendment or supplement which will correct such statement or omission or an amendment which will effect such compliance. Neither the consent of the Representatives to, nor the Underwriters' delivery of, any such amendment or supplement shall constitute a waiver of any of the conditions set forth in Section 6.

(d) As soon as practicable, but not later than 16 months after the date of this Agreement, the Company will make generally available to its securityholders an earnings statement covering a period of at least 12 months beginning after the later of (i) the effective date of the Registration Statement, (ii) the effective date of the most recent post-effective amendment to the Registration Statement to become effective prior to the date of this Agreement and (iii) the date of the Company's most recent Annual Report on Form 10-K filed with the Commission prior to the date of this Agreement, which will satisfy the provisions of Section 11(a) of the Act.

(e) The Company will furnish to the Representatives copies of the Registration Statement, in the form it became effective (two of which will be signed and will include all exhibits), each related preliminary prospectus or preliminary prospectus supplement, and, so long as a prospectus relating to the Offered Securities is required to be delivered under the Act in connection with sales by any Underwriter or dealer, the Prospectus and all amendments and supplements to such documents, in each case in such quantities as the Representatives reasonably request. The Prospectus shall be so furnished on or prior to 3:00 P.M., New York time, on the business day following the execution and delivery of this Agreement. All other documents shall be so furnished as soon as available. The Company will pay the expenses of printing and distributing to the Underwriters all such documents.

(f) The Company will arrange for the qualification of the Offered Securities for sale and the determination of their eligibility for investment under the laws of such jurisdictions as the Representatives reasonably designate and will continue such qualifications in effect so long as required for the distribution; provided that in connection therewith the Company shall not be required to qualify as a foreign corporation or to take any action that would subject it to a general consent to service of process in any such jurisdiction.

(g) During the period of five years hereafter, the Company will furnish to the Representatives and, upon request, to each of the other Underwriters, as soon as practicable after the end of each fiscal year, a copy of its annual report to stockholders for such year; and the Company will furnish to the Representatives (i) as soon as available, a copy of each report and any definitive proxy statement of the Company filed with the Commission under the Exchange Act or mailed to stockholders, and (ii) from time to time, such other information concerning the Company as the Representatives may reasonably request.

(h) The Company will pay all expenses incident to the performance of its obligations under this Agreement, for any filing fees and other expenses (including fees and disbursements of counsel) incurred in connection with qualification of the Offered Securities for sale under the laws of such jurisdictions as the Representatives reasonably designate and the printing of

memoranda relating thereto, for the filing fee incident to the review, if any, by the National Association of Securities Dealers, Inc. of the Offered Securities, for any travel expenses of the Company's officers and employees and any other expenses of the Company in connection with attending or hosting meetings with prospective purchasers of the Offered Securities, for the fees and expenses of counsel for the Underwriters in an amount not to exceed \$75,000, and for expenses incurred in distributing preliminary prospectuses, preliminary prospectus supplements and the Prospectus (including any amendments and supplements thereto) to the Underwriters.

(i) Except as contemplated under this Agreement, the Company will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, or file with the Commission a registration statement under the Act relating to debt securities issued or guaranteed by the Company and having a maturity of more than one year from the date of issue, or publicly disclose the intention to make any such offer, sale, pledge, disposition or filing, without the prior written consent of the Representatives for a period beginning at the date of this Agreement and ending at the later of the Closing Date or the lifting of trading restrictions by the Representatives. The Representatives will promptly notify the Company of the lifting of such trading restrictions.

6. *Conditions of the Obligations of the Underwriters.* The obligations of the several Underwriters to purchase and pay for the Offered Securities on the Closing Date will be subject to the accuracy of the representations and warranties on the part of the Company herein, to the accuracy of the statements of Company officers made pursuant to the provisions hereof, to the performance by the Company of its obligations hereunder and to the following additional conditions precedent:

(a) The Representatives shall have received a letter, dated the date of this Agreement, of Deloitte & Touche LLP confirming that they are independent public accountants within the meaning of the Act and the applicable published Rules and Regulations thereunder and stating to the effect that:

(i) in their opinion the consolidated financial statements and financial statement schedule audited by them and incorporated by reference in the Registration Statement comply as to form in all material respects with the applicable accounting requirements of the Act and the Securities Exchange Act of 1934 and the related Rules and Regulations adopted by the Commission;

(ii) on the basis of a reading of the latest available interim financial statements of the Company, inquiries of officials of the Company who have responsibility for financial and accounting matters and other specified procedures, nothing came to their attention that caused them to believe that:

(A) at the date of the latest available balance sheet read by such accountants, or at a subsequent specified date not more than three business days prior to the date of this Agreement, there was any change in the capital stock or any increase in short-term indebtedness or long-term debt of the Company or, at the date of the latest available balance sheet read by such accountants, there was any increase in consolidated net current liabilities or any

decrease in stockholders' equity, as compared with amounts shown on the latest balance sheet incorporated by reference in the Prospectus; or

(B) for the period from the closing date of the latest income statement incorporated by reference in the Prospectus to the closing date of the latest available income statement read by such accountants, or at a subsequent specified date not more than three business days prior to the date of this Agreement, there were any decreases, as compared with the corresponding period of the previous year, in consolidated operating revenues, operating income, or in the ratio of earnings to fixed charges,

except in all cases set forth in clauses (A) and (B) above for changes, increases or decreases which the Prospectus discloses have occurred or may occur or which are described in such letter; and

(iii) they have compared certain specified dollar amounts (or percentages derived from such dollar amounts) and other financial information contained in the Registration Statement (in each case to the extent that such dollar amounts, percentages and other financial information are derived from the general accounting records of the Company and its subsidiaries subject to the internal controls of the Company's accounting system or are derived directly from such records by analysis or computation) with the results obtained from inquiries, a reading of such general accounting records and other procedures specified in such letter and have found such dollar amounts, percentages and other financial information to be in agreement with such results, except as otherwise specified in such letter.

All financial statements and schedules included in material incorporated by reference into the Prospectus shall be deemed included in the Prospectus for purposes of this subsection.

(b) The Prospectus shall have been filed with the Commission in accordance with the Rules and Regulations and Section 5(a) of this Agreement. No stop order suspending the effectiveness of the Registration Statement shall have been issued and no proceedings for that purpose shall have been instituted or, to the knowledge of the Company or the Representatives, shall be contemplated by the Commission.

(c) Subsequent to the execution and delivery of this Agreement, there shall not have occurred (i) any change, or any development or event involving a prospective change, in the condition (financial or other), business, properties or results of operations of the Company and its subsidiaries taken as one enterprise which, in the judgment of a majority in interest of the Underwriters including the Representatives, is material and adverse and makes it impractical or inadvisable to proceed with completion of the public offering or the sale of and payment for the Offered Securities; (ii) any downgrading in the rating of any debt securities or preferred stock of the Company by any "nationally recognized statistical rating organization" (as defined for purposes of Rule 436(g) under the Act), or any public announcement that any such organization has under surveillance or review its rating of any debt securities or preferred stock of the Company (other than an announcement with positive implications of a possible upgrading, and no implication of a possible downgrading, of such rating); (iii) any change in

U.S. or international financial, political or economic conditions as would, in the judgment of a majority in interest of the Underwriters including the Representatives, be likely to prejudice materially the success of the proposed issue, sale or distribution of the Offered Securities, whether in the primary market or in respect of dealings in the secondary market; (iv) any material suspension or material limitation of trading in securities generally on the New York Stock Exchange, or any setting of minimum prices for trading on such exchange, or any suspension of trading of any securities of the Company on any exchange or in the over-the-counter market; (v) any banking moratorium declared by U.S. Federal or New York authorities; (vi) any major disruption of settlements of securities or clearance services in the United States or (vii) any attack on, outbreak or escalation of hostilities or act of terrorism involving the United States, any declaration of war by Congress or any other national or international calamity or emergency if, in the judgment of a majority in interest of the Underwriters including the Representatives, the effect of any such attack, outbreak, escalation, act, declaration, calamity or emergency makes it impractical or inadvisable to proceed with completion of the public offering or the sale of and payment for the Offered Securities.

(d) The Representatives shall have received an opinion, dated the Closing Date, of Steven J. Helmers, Esq., general counsel to the Company, to the effect that:

(i) The Company has been duly incorporated and is an existing corporation in good standing under the laws of the State of South Dakota, with corporate power and authority to own its properties and conduct its business as described in the Prospectus; and the Company is duly qualified to do business as a foreign corporation in good standing in all other jurisdictions in which its ownership or lease of property or the conduct of its business requires such qualification;

(ii) The Indenture has been duly authorized, executed and delivered by the Company; the Offered Securities delivered on the Closing Date have been duly authorized, executed, authenticated, issued and delivered and conform to the description thereof contained in the Prospectus;

(iii) The Company has full corporate power and authority to authorize, issue and sell the Offered Securities as contemplated by this Agreement;

(iv) This Agreement has been duly authorized, executed and delivered by the Company;

(v) Each subsidiary of the Company set forth on Schedule B hereto (each, a "Subsidiary") has been duly incorporated or organized, as the case may be, and is an existing corporation, limited partnership, general partnership or limited liability company in good standing under the laws of the jurisdiction of its incorporation or organization, as the case may be, with power and authority (corporate and other) to own its properties and conduct its business as described in the Prospectus; and each Subsidiary of the Company is duly qualified to do business as a foreign corporation, limited partnership, general partnership or limited liability company, as the case may be, in good standing in all other jurisdictions in which its ownership or lease of property or the conduct of its business requires such qualification, except where the

failure to be so qualified and in good standing would not individually or in the aggregate have a Material Adverse Effect;

(vi) Except for that certain Registration Rights Agreement, dated as of June 30, 2000, between the Company and the other parties named therein, which is an exhibit to a Commission filing incorporated by reference into the Registration Statement, there are no contracts, agreements or understandings known to such counsel between the Company and any person granting such person the right to require the Company to file a registration statement under the Act with respect to any securities of the Company owned or to be owned by such person or to require the Company to include such securities in the securities registered pursuant to the Registration Statement or in any securities being registered pursuant to any other registration statement filed by the Company under the Act;

(vii) To such counsel's knowledge, the Company and each of its subsidiaries possess adequate certificates, authorities, licenses or permits issued by appropriate governmental agencies or bodies necessary to conduct the business as now operated by them as described in the Prospectus and, except as described in the Prospectus, such counsel is not aware of the receipt of any notice of proceedings relating to the revocation or modification of any such certificate, authority, license or permit that, if determined adversely to the Company or any of its subsidiaries, would individually or in the aggregate have a Material Adverse Effect;

(viii) No consent, approval, authorization or order of, or filing with, any governmental agency or body or any court is required under South Dakota law, PUHCA or the Federal Power Act, as amended ("**FPA**"), for the consummation of the transactions contemplated by this Agreement in connection with the issuance and sale of the Offered Securities by the Company, except such as have been obtained and such as may be required under state securities laws;

(ix) The execution, delivery and performance of the Indenture and this Agreement and the issuance and sale of the Offered Securities and compliance with the terms and provisions thereof will not result in a breach or violation of any of the terms and provisions of, or constitute a default under, (A) PUHCA or FPA, any rule, regulation or, to such counsel's knowledge, order of any governmental agency or body relating to PUHCA or FPA or any court having jurisdiction over the Company or any subsidiary of the Company or any of their properties in a proceeding relating to PUHCA or FPA or (B) any agreement or instrument to which the Company or any subsidiary of the Company is a party or by which the Company or any such subsidiary is bound or to which any of the properties of the Company or any such subsidiary is subject, except in the case of clause (B) for such breaches, violations or defaults that would not individually or in the aggregate have a Material Adverse Effect;

(x) The descriptions under the headings "Risk Factors," "Business" and "Black Hills Corporation" in the Registration Statement and Prospectus of statutes, legal and governmental proceedings and contracts and other documents are accurate in all material respects and fairly present the information required to be shown;

(xi) To such counsel's knowledge, except as disclosed in the Prospectus, the Company and each subsidiary of the Company (i) is in compliance with any and all applicable environmental laws, (ii) has received all permits, licenses or other approvals required of it under applicable environmental laws to conduct its business and (iii) is in compliance with all terms and conditions of any such permit, license or approval, except where such noncompliance with environmental laws, failure to receive required permits, licenses or other approvals or failure to comply with the terms and conditions of such permits, licenses or approvals would not individually or in the aggregate have a Material Adverse Effect; and

(xii) The Company is a public utility holding company that is exempt from regulation under PUHCA (except for Sections 9(a)(2) and 10 thereof) pursuant to Section 3(a) of PUHCA.

In rendering such opinion, such counsel may state that his opinion is limited to matters governed by the laws of the State of South Dakota, the corporate laws of the State of Delaware, PUHCA and FPA.

(e) The Representatives shall have received an opinion, dated the Closing Date, of Conner & Winters, P.C., special counsel for the Company, to the effect that:

(i) The Indenture has been qualified under the Trust Indenture Act;

(ii) The Indenture and the Offered Securities delivered on the Closing Date constitute valid and legally binding obligations of the Company enforceable in accordance with their terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles;

(iii) The Company is not and, after giving effect to the offering and sale of the Offered Securities and the application of the proceeds thereof as described in the Prospectus, will not be an "investment company" as defined in the Investment Company Act of 1940;

(iv) No consent, approval, authorization or order of, or filing with, any governmental agency or body or any court is required for the consummation of the transactions contemplated by this Agreement in connection with the issuance and sale of the Offered Securities by the Company, except such as have been obtained and made under the Act and the Trust Indenture Act and such as may be required under state securities laws;

(v) The execution, delivery and performance of the Indenture and this Agreement and the issuance and sale of the Offered Securities and compliance with the terms and provisions thereof will not result in a breach or violation of any of the terms and provisions of, or constitute a default under, (A) any statute, any rule, regulation or, to such counsel's knowledge, order of any governmental agency or body

or any court having jurisdiction over the Company or any subsidiary of the Company or any of their properties, (B) any agreement or instrument filed as an exhibit to the Registration Statement or as an exhibit to any document incorporated by reference in the Registration Statement, or (C) the charter or by-laws of the Company, except in the case of clause (A) for such breaches, violations or defaults that would not individually or in the aggregate have a Material Adverse Effect;

(vi) The Registration Statement was declared effective under the Act as of the date and time specified in such opinion, the Prospectus was filed with the Commission pursuant to the subparagraph of Rule 424(b) specified in such opinion on the date specified therein, and, to the knowledge of such counsel, no stop order suspending the effectiveness of the Registration Statement or any part thereof has been issued and no proceedings for that purpose have been instituted or are pending or contemplated under the Act, and the Registration Statement and the Prospectus, and each amendment or supplement thereto, as of their respective effective or issue dates, complied as to form in all material respects with the requirements of the Act, the Trust Indenture Act and the Rules and Regulations; the descriptions (A) under the headings "Description of the Notes," "Description of Senior Debt Securities," "Description of Subordinated Debt Securities," "Description of Capital Stock," "Description of Warrants," "Description of Purchase Contracts," "Description of Units," "Material United States Federal Income Tax Consequences to Non-U.S. Holders" and "Underwriting" in the Registration Statement and Prospectus and (B) in the Registration Statement in Item 15, in each case, of statutes, legal and governmental proceedings and contracts and other documents are accurate in all material respects and fairly present the information required to be shown; and such counsel do not know of any legal or governmental proceedings required to be described in the Registration Statement or the Prospectus which are not described as required or of any contracts or documents of a character required to be described in the Registration Statement or the Prospectus or to be filed as exhibits to the Registration Statement which are not described and filed as required; it being understood that such counsel need express no opinion as to the financial statements or other financial data contained in the Registration Statement or the Prospectus or the Form T-1.

In addition, such counsel shall state that such counsel has participated in conferences with officers and other representatives of the Company, representatives of the independent public accountants of the Company, and representatives of the Underwriters at which the contents of the Registration Statement and Prospectus were discussed, and, although such counsel is not passing upon and does not assume responsibility for the accuracy, completeness or fairness of the statements contained in the Registration Statement or Prospectus (except and to the extent stated in subparagraph (vi) of this Section 6(e)), on the basis of the foregoing, nothing has come to the attention of such counsel that cause them to believe that any part of the Registration Statement or any amendment thereto, as of its effective date or as of the Closing Date, contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein not misleading or that the Prospectus or any amendment or supplement thereto, as of its issue date or as of the Closing Date, contained any untrue statement of a material fact or omitted to state any material fact necessary in order to make the statements therein, in the light of the circumstances under

which they were made, not misleading; it being understood that such counsel need express no opinion as to the financial statements or other financial data contained in the Registration Statement or the Prospectus or the Form T-1.

In rendering such opinion, such counsel may state that their opinion is limited to matters governed by the federal laws of the United States of America (other than PUHCA and FPA) and the laws of the States of Oklahoma and New York.

(f) The Representatives shall have received from Skadden, Arps, Slate, Meagher & Flom LLP, counsel for the Underwriters, such opinion or opinions, dated the Closing Date, with respect to the Registration Statement, the Prospectus, the Indenture, the Offered Securities and other related matters as the Representatives may require, and the Company shall have furnished to such counsel such documents as they request for the purpose of enabling them to pass upon such matters.

(g) The Representatives shall have received a certificate, dated the Closing Date, of the President or any Vice President and a principal financial or accounting officer of the Company in which such officers, to the best of their knowledge after reasonable investigation, shall state that: the representations and warranties of the Company in this Agreement are true and correct; the Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied hereunder at or prior to the Closing Date; no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been instituted or are contemplated by the Commission; and, subsequent to the date of the most recent financial statements of the Company incorporated by reference in the Prospectus, there has been no material adverse change, nor any development or event involving a prospective material adverse change, in the condition (financial or other), business, properties or results of operations of the Company and its subsidiaries taken as a whole except as set forth in or contemplated by the Prospectus or as described in such certificate.

(h) The Representatives shall have received a letter, dated the Closing Date, of Deloitte & Touche LLP which meets the requirements of subsection (a) of this Section, except that the specified date referred to in such subsection will be a date not more than three days prior to the Closing Date for the purposes of this subsection.

The Company will furnish the Representatives with such conformed copies of such opinions, certificates, letters and documents as the Representatives reasonably request. The Representatives may in their discretion waive on behalf of the Underwriters compliance with any conditions to the obligations of the Underwriters hereunder.

7. Indemnification and Contribution. (a) The Company will indemnify and hold harmless each Underwriter, its partners, directors and officers and each person, if any, who controls such Underwriter within the meaning of Section 15 of the Act, against any losses, claims, damages or liabilities, joint or several, to which such Underwriter may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in the Registration Statement, the Prospectus, or any amendment or supplement thereto, or any related preliminary prospectus or preliminary prospectus supplement, or arise out of or are based upon the

omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse each Underwriter for any legal or other expenses reasonably incurred by such Underwriter in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses are incurred; provided, however, that the Company will not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement in or omission or alleged omission from any of such documents in reliance upon and in conformity with written information furnished to the Company by any Underwriter through the Representatives specifically for use therein, it being understood and agreed that the only such information furnished by any Underwriter consists of the information described as such in subsection (b) below; and provided, further, that with respect to any untrue statement or alleged untrue statement in or omission or alleged omission from any preliminary prospectus or preliminary prospectus supplement the indemnity agreement contained in this subsection (a) shall not inure to the benefit of any Underwriter from whom the person asserting any such losses, claims, damages or liabilities purchased the Offered Securities concerned, to the extent that a prospectus relating to such Offered Securities was required to be delivered by such Underwriter under the Act in connection with such purchase and any such loss, claim, damage or liability of such Underwriter results from the fact that there was not sent or given to such person, at or prior to the written confirmation of the sale of such Offered Securities to such person, a copy of the Prospectus in which the untrue statement or alleged untrue statement in or omission or alleged omission from such preliminary prospectus or preliminary prospectus supplement had been corrected if the Company had previously furnished copies thereof to such Underwriter.

(b) Each Underwriter will severally and not jointly indemnify and hold harmless the Company, its directors and officers and each person, if any who controls the Company within the meaning of Section 15 of the Act, against any losses, claims, damages or liabilities to which the Company may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in the Registration Statement, the Prospectus, or any amendment or supplement thereto, or any related preliminary prospectus or preliminary prospectus supplement, or arise out of or are based upon the omission or the alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company by such Underwriter through the Representatives specifically for use therein, and will reimburse any legal or other expenses reasonably incurred by the Company in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses are incurred, it being understood and agreed that the only such information furnished by any Underwriter consists of the following information in the Prospectus furnished on behalf of each Underwriter: (i) the concession and discount figures appearing in the fourth paragraph under the caption "Underwriting" and (ii) paragraphs 11 and 12 under the caption "Underwriting".

(c) Promptly after receipt by an indemnified party under this Section of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under subsection (a) or (b) above, notify the indemnifying party of the commencement thereof; but the failure to notify the indemnifying party shall not relieve it from any liability that it may have under subsection (a) or (b) above except to the extent that it has been materially prejudiced (through the forfeiture of substantive rights or defenses) by such failure; and

provided further that the failure to notify the indemnifying party shall not relieve it from any liability that it may have to an indemnified party otherwise than under subsection (a) or (b) above. In case any such action is brought against any indemnified party and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate therein and, to the extent that it may wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party will not be liable to such indemnified party under this Section for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened action in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party unless such settlement (i) includes an unconditional release of such indemnified party from all liability on any claims that are the subject matter of such action and (ii) does not include a statement as to, or an admission of, fault, culpability or a failure to act by or on behalf of an indemnified party. Notwithstanding anything in this subsection (c) to the contrary, an indemnifying party shall not be liable for any settlement of any claim or action effected without its prior written consent, provided that such consent was not unreasonably withheld.

(d) If the indemnification provided for in this Section is unavailable or insufficient to hold harmless an indemnified party under subsection (a) or (b) above, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of the losses, claims, damages or liabilities referred to in subsection (a) or (b) above (i) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Underwriters on the other from the offering of the Offered Securities or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company on the one hand and the Underwriters on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Company bear to the total underwriting discounts and commissions received by the Underwriters. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The amount paid by an indemnified party as a result of the losses, claims, damages or liabilities referred to in the first sentence of this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any action or claim which is the subject of this subsection (d). Notwithstanding the provisions of this subsection (d), no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Offered Securities underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution

from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations in this subsection (d) to contribute are several in proportion to their respective underwriting obligations and not joint.

(e) The obligations of the Company under this Section shall be in addition to any liability which the Company may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls any Underwriter within the meaning of the Act; and the obligations of the Underwriters under this Section shall be in addition to any liability which the respective Underwriters may otherwise have and shall extend, upon the same terms and conditions, to each director of the Company, to each officer of the Company who has signed the Registration Statement and to each person, if any, who controls the Company within the meaning of the Act.

8. *Default of Underwriters.* If any Underwriter or Underwriters default in their obligations to purchase Offered Securities hereunder on the Closing Date and the aggregate principal amount of Offered Securities that such defaulting Underwriter or Underwriters agreed but failed to purchase does not exceed 10% of the total principal amount of Offered Securities that the Underwriters are obligated to purchase on the Closing Date, the Representatives may make arrangements satisfactory to the Company for the purchase of the Offered Securities by other persons, including any of the Underwriters, but if no such arrangements are made by the Closing Date, the non-defaulting Underwriters shall be obligated severally, in proportion to their respective commitments hereunder, to purchase the Offered Securities that such defaulting Underwriters agreed but failed to purchase on the Closing Date. If any Underwriter or Underwriters so default and the aggregate principal amount of Offered Securities with respect to which such default or defaults occur exceeds 10% of the total principal amount of Offered Securities that the Underwriters are obligated to purchase on the Closing Date and arrangements satisfactory to the Representatives and the Company for the purchase of such Offered Securities by other persons are not made within 36 hours after such default, this Agreement will terminate without liability on the part of any non-defaulting Underwriter or the Company, except as provided in Section 9. As used in this Agreement, the term "Underwriter" includes any person substituted for an Underwriter under this Section. Nothing herein will relieve a defaulting Underwriter from liability for its default.

9. *Survival of Certain Representations and Obligations.* The respective indemnities, agreements, representations, warranties and other statements of the Company or its officers and of the several Underwriters set forth in or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation, or statement as to the results thereof, made by or on behalf of any Underwriter, the Company or any of their respective representatives, officers or directors or any controlling person, and will survive delivery of and payment for the Offered Securities. If this Agreement is terminated pursuant to Section 8 or if for any reason the purchase of the Offered Securities by the Underwriters is not consummated, the Company shall remain responsible for the expenses to be paid or reimbursed by it pursuant to Section 5 and the respective obligations of the Company and the Underwriters pursuant to Section 7 shall remain in effect, and if any Offered Securities have been purchased hereunder the representations and warranties in Section 2 and all obligations under Section 5 shall also remain in effect. If the purchase of the Offered Securities by the Underwriters is not consummated for any reason other than solely because of the termination of this Agreement pursuant to Section 8 or the occurrence of any event specified in clause (iii), (iv), (v), (vi) or (vii) of Section 6(c), the Company will reimburse the Underwriters for all out-of-pocket expenses

(including fees and disbursements of counsel) reasonably incurred by them in connection with the offering of the Offered Securities.

10. *Notices.* All communications hereunder will be in writing and, if sent to the Underwriters, will be mailed, delivered or faxed and confirmed to the Representatives at the following addresses:

c/o Credit Suisse First Boston LLC
Eleven Madison Avenue
New York, New York 10010-3629
Attention: Transactions Advisory Group
Fax: (212) 325-4296

c/o Lehman Brothers Inc.
745 Seventh Avenue
New York, New York 10019
Attention: Debt Capital Markets – Power Group
Fax: (212) 526-0943

With a copy to, in the case of any notice to Lehman pursuant to Section 8(c):

Director of Litigation
Office of the General Counsel
Lehman Brothers Inc.
399 Park Avenue – 15th Floor
New York, New York 10022

or, if sent to the Company, will be mailed, delivered or faxed and confirmed to it at 625 Ninth Street, Rapid City, South Dakota 57701, Attention: Steven J. Helmers, Esq., General Counsel (Fax: (605) 721-2550); provided, however, that any notice to an Underwriter pursuant to Section 7 will be mailed, delivered or faxed and confirmed to such Underwriter.

11. *Successors.* This Agreement will inure to the benefit of and be binding upon the parties hereto and their respective successors and the officers and directors and controlling persons referred to in Section 7, and no other person will have any right or obligation hereunder.

12. *Representation of Underwriters.* The Representatives will act for the several Underwriters in connection with the transactions contemplated by this Agreement, and any action under this Agreement taken by the Representatives jointly or by the Representatives will be binding upon all the Underwriters.

13. *Counterparts.* This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same Agreement.

14. *Applicable Law.* This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, without regard to principles of conflicts of laws.

15. *Consent to Jurisdiction.* The Company hereby submits to the non-exclusive jurisdiction of the Federal and state courts in the Borough of Manhattan in The City of New York in any suit or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

SCHEDULE A

<u>Underwriter</u>	<u>Principal Amount of Offered Securities</u>
Credit Suisse First Boston LLC	\$ 83,750,000
Lehman Brothers Inc.	83,750,000
ABN AMRO Incorporated	40,000,000
BMO Nesbitt Burns Corp.	10,625,000
Scotia Capital (USA) Inc	10,625,000
U.S. Bancorp Piper Jaffray Inc.	10,625,000
Wells Fargo Brokerage Services, LLC	10,625,000
Total	\$ 250,000,000

SCHEDULE B

Black Hills Power, Inc.
Black Hills Energy, Inc.
Black Hills Valmont Colorado, Inc.
Black Hills Fountain Valley, LLC
Fountain Valley Power, LLC
E-Next A Equipment Leasing Company, LLC
Wyodak Resources Development Corp.
Enserco Energy Inc.
Black Hills Energy Resources, Inc.
Black Hills Fiber Systems, Inc.
Black Hills Fibercom, LLC
Black Hills Generation, Inc.
Black Hills Colorado, LLC
Black Hills Ontario, LLC
Indeck North American Power Partners, LP
Indeck North American Power Fund, LP
Black Hills Harbor, LLC
Indeck Pepperell Power Associates, Inc.
Adirondack Hydro Development Corporation
Las Vegas Cogeneration II, LLC

BLACK HILLS CORPORATION
AND
LASALLE BANK NATIONAL ASSOCIATION
AS TRUSTEE

FIRST SUPPLEMENTAL INDENTURE

DATED AS OF

MAY 21, 2003

\$250,000,000

6.50% NOTES DUE 2013

FIRST SUPPLEMENTAL INDENTURE dated as of May 21, 2003 ("Supplemental Indenture"), to the Indenture dated as of May 21, 2003 (as supplemented, the "Indenture"), by and between BLACK HILLS CORPORATION, a South Dakota corporation (the "Company"), and LASALLE BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as trustee (the "Trustee").

Each party agrees as follows for the benefit of the other party and for the equal and ratable benefit of the holders of the Notes (as defined below):

WHEREAS, the Company and the Trustee have duly authorized the execution and delivery of the Indenture to provide for the issuance from time to time of senior debt securities (the "Securities") to be issued in one or more series as in the Indenture provided;

WHEREAS, the Company desires and has requested the Trustee to join the Company in the execution and delivery of this Supplemental Indenture in order to establish and provide for the issuance by the Company of a series of Securities designated as its 6.50% Notes due 2013 in the aggregate principal amount of \$250,000,000, substantially in the form attached hereto as Exhibit A (the "Notes"), on the terms set forth herein;

WHEREAS, Section 3.1 of the Indenture provides that a supplemental indenture may be entered into by the Company and the Trustee for such purpose provided certain conditions are met;

WHEREAS, the conditions set forth in the Indenture for the execution and delivery of this Supplemental Indenture have been complied with; and

WHEREAS, all things necessary to make this Supplemental Indenture a valid agreement of the Company and the Trustee, in accordance with its terms, and a valid amendment of, and supplement to, the Indenture have been done;

NOW, THEREFORE:

In consideration of the premises and the purchase and acceptance of the Notes by the holders thereof, the Company covenants and agrees with the Trustee, for the equal and ratable benefit of the holders, that the Indenture is supplemented and amended, to the extent expressed herein, as follows:

ARTICLE I

Scope of Supplemental Indenture; General

This Supplemental Indenture supplements, and to the extent inconsistent therewith, replaces the provisions of the Indenture, to which provisions reference is hereby made.

The changes, modifications and supplements to the Indenture effected by this Supplemental Indenture shall be applicable only with respect to, and govern the terms of, the Notes, which shall initially be in aggregate principal amount of \$250,000,000, which amount may be increased pursuant to an Officers' Certificate (as defined in the Indenture) in accordance with this Supplemental Indenture and shall not apply to any other Securities that may be issued under the Indenture unless a supplemental indenture with respect to such other Securities specifically incorporates such changes, modifications and supplements. Pursuant to this Supplemental Indenture, there is hereby created and designated a series of Securities under the Indenture entitled "6.50% Notes due 2013." The Notes shall be in the form of Exhibit A hereto.

In the event that the Company shall issue and the Trustee shall authenticate any Notes issued under this Supplemental Indenture subsequent to the Issue Date (as defined below) (such Notes, "Additional Securities"), the Company shall use its best efforts to obtain the same "CUSIP" number for such Notes as is printed on the Notes outstanding at such time; provided, however, that if any series of Notes issued under this Supplemental Indenture subsequent to the Issue Date is determined, pursuant to an Opinion of Counsel (as defined in the Indenture) of the Company in a form reasonably satisfactory to the Trustee, to be a different class of security than the Notes outstanding at such time for federal income tax purposes, the Company may obtain a "CUSIP" number for such Notes that is different than the "CUSIP" number printed on the Notes then outstanding. Notwithstanding the foregoing, all Notes issued under this Supplemental Indenture shall vote and consent together on all matters as one class and no series of Notes will have the right to vote or consent as a separate class on any matter.

ARTICLE II

Certain Definitions

The following terms have the meanings set forth below in this Supplemental Indenture. Capitalized terms used but not defined herein have the meanings ascribed to such terms in the Indenture. To the extent terms defined herein differ from the Indenture the terms defined herein shall govern.

"Adjusted Consolidated Capitalization Amount" means an amount equal to 5% of Consolidated Capitalization, less the total amount of all Indebtedness then outstanding that has been incurred and secured pursuant to subclause (6)(b) of Section 4.1 of this Supplemental Indenture (but only to the extent that the amount of each such

incurrence of Indebtedness, at the time of such incurrence, exceeded the amount then permitted by subclause (x) of the second proviso thereto).

“Adjusted Treasury Rate” means, with respect to any Redemption Date, (i) the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated “H.15 (519)” or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity under the caption “Treasury Constant Maturities” for the maturity corresponding to the Comparable Treasury Issue (if no maturity is within three months before or after the remaining term of the Notes, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue shall be determined and the Adjusted Treasury Rate shall be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month) or (ii) if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per year equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such Redemption Date, in each case calculated on the third Business Day preceding the Redemption Date, plus in each case 0.50%.

“Assets” of any Person means the whole or any part of its business, property, assets, cash and receivables.

“Comparable Treasury Issue” means the United States Treasury security selected by the Quotation Agent as having a maturity comparable to the remaining term from the Redemption Date to the Stated Maturity of the Notes that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Notes.

“Comparable Treasury Price” means, with respect to any Redemption Date, if clause (ii) of the definition of Adjusted Treasury Rate is applicable, the average of three, or such lesser number as is obtained by the Trustee, Reference Treasury Dealer Quotations for such Redemption Date.

“Consolidated Capitalization” means, as of any date of determination, the sum obtained by adding (i) Consolidated Shareholders’ Equity, (ii) Consolidated Indebtedness (exclusive of any thereof which is due and payable within one year of the date such sum is determined) and, without duplication, (iii) any preference or preferred stock of the Company or any Consolidated Subsidiary which is subject to mandatory redemption or sinking fund provisions.

“Consolidated Indebtedness” means, as of any date of determination, total indebtedness as shown on the consolidated balance sheet of the Company and its Consolidated Subsidiaries.

“Consolidated Shareholders’ Equity” means, as of any date of determination, the total Assets of the Company and its Consolidated Subsidiaries less all liabilities of the Company and its Consolidated Subsidiaries. As used in this definition, “liabilities” means all obligations which would, in accordance with generally accepted accounting principles in the United States, be classified on a balance sheet as liabilities, including without limitation, (i) indebtedness secured by property of the Company or any of its Consolidated Subsidiaries whether or not the Company or such Consolidated Subsidiary is liable for the payment thereof unless, in the case that the Company or such Consolidated Subsidiary is not so liable, such property has not been included among the Assets of the Company or such Consolidated Subsidiary on such balance sheet, (ii) deferred liabilities, and (iii) indebtedness of the Company or any of its Consolidated Subsidiaries that is expressly subordinated in right and priority of payment to other liabilities of the Company or such Consolidated Subsidiary. As used in this definition, “liabilities” includes preference or preferred stock of the Company or any Consolidated Subsidiary only to the extent of any such preference or preferred stock that is subject to mandatory redemption or sinking fund provisions.

“Consolidated Subsidiary” means, at any date, any Subsidiary the financial statements of which under generally accepted accounting principles in the United States would be consolidated with those of the Company in its consolidated financial statements as of such date.

“Event of Default” has the meaning specified in Section 5.1.

“Holder” means the Person in whose name a Note is registered in the books of the Security Registrar for the Notes.

“Indebtedness” means (i) all indebtedness, whether or not represented by bonds, debentures, notes or other securities, incurred, created or assumed by the Company or any Subsidiary for the repayment of money borrowed, (ii) all indebtedness for money borrowed secured by a lien upon property owned by the Company or any Subsidiary, regardless of whether the Company or such Subsidiary has assumed or otherwise become liable for the payment of such indebtedness for money borrowed, and (iii) all indebtedness of others for money borrowed which is guaranteed as to payment of principal or interest by the Company or any Subsidiary or in effect guaranteed by the Company or such Subsidiary through a contingent agreement to purchase such indebtedness or through any “keep-well” or similar agreement to be directly or indirectly liable for the repayment of such indebtedness.

“Issue Date” means the date on which the Notes are originally issued under this Supplemental Indenture.

“Make-Whole Amount” means the sum, as determined by a Quotation Agent, of the present values of the principal amount of the Notes to be redeemed, together with scheduled payments of interest (exclusive of interest to the Redemption Date) from the Redemption Date to the Stated Maturity of the Notes, in each case discounted to the Redemption Date on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Adjusted Treasury Rate, plus accrued interest (if any) on the principal amount of the Notes being redeemed to the Redemption Date.

“Quotation Agent” means the Reference Treasury Dealer selected by the Trustee after consultation with the Company.

“Reference Treasury Dealer” means each primary U.S. Government securities dealer selected by the Company.

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and any Redemption Date, the average, as determined by the Trustee, of the bid and asked prices for the Comparable Treasury Issue, expressed in each case as a percentage of its principal amount, quoted in writing to the Trustee by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third Business Day preceding such Redemption Date.

“Subsidiary” means a corporation, limited partnership, limited liability company or trust in which more than 50% of the outstanding voting stock is owned, directly or indirectly, by the Company and/or by one or more other Subsidiaries. For the purposes of this definition, “voting stock” means stock, partnership interests or any other participations, rights, warrants, options or other interests in the nature of an equity interest that ordinarily (without regard to the occurrence of any contingency) has voting power for the election of directors, managers or trustees, whether at all times or only so long as no senior class of stock has that voting power by reason of any contingency.

“Trustee” means the party named as such above until a successor replaces such party in accordance with the applicable provisions of the Indenture and thereafter means the successor serving hereunder.

ARTICLE III

The Notes

Section 3.1 Payments of Principal and Interest.

The Notes shall bear interest from and including May 21, 2003 to but excluding the date of Maturity, at the rate of 6.50% per annum. The Notes shall mature on May 15, 2013. The Company shall pay interest on the Notes semiannually on May 15 and November 15 of each year, commencing November 15, 2003 to the Person in whose name any such Note or any predecessor Note is registered in the Security Register

at the close of business on the May 1 and November 1 next preceding such Interest Payment Date. The Company initially authorizes the Trustee to act as Paying Agent.

Section 3.2 Optional Redemption.

Subject to the provisions of Article XI of the Indenture, the Notes shall be redeemable at the option of the Company, as a whole at any time or in part from time to time, at a Redemption Price equal to the greater of (i) the principal amount of the Notes to be redeemed plus accrued interest (if any) to the Redemption Date and (ii) the Make-Whole Amount with respect to the Notes to be redeemed.

Section 3.3 No Sinking Fund.

The Notes shall not be entitled to the benefit of any sinking fund.

Section 3.4 Book Entry, Delivery and Form

The Notes shall initially be issued in the form of a Global Security (the "Global Note"). The Global Note shall initially be deposited on or about the Issue Date with, or on behalf of, The Depository Trust Company (the "Depository") and registered in the name of Cede & Co., as nominee of the Depository.

Section 3.5 Form of Legend for Global Note

In addition to the legend set forth in Section 2.2 of the Indenture, every Global Note authenticated and delivered hereunder shall bear a legend substantially in the following form:

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

ARTICLE IV

Covenants

Section 4.1 Limitations on Liens.

So long as any Notes are Outstanding, neither the Company nor any Subsidiary shall pledge, mortgage, hypothecate or grant a security interest in, or permit any mortgage, pledge, security interest or other lien upon, any capital stock of any Subsidiary now or hereafter owned directly or indirectly by the Company or any Subsidiary, to secure any Indebtedness without concurrently making effective provision whereby the Outstanding Notes shall (so long as such other Indebtedness shall be so secured) be equally and ratably secured with any and all such other Indebtedness and any other indebtedness similarly entitled to be equally and ratably secured; provided, however, that this restriction shall not apply to nor prevent the creation of:

- (1) any mortgage, pledge, security interest, lien or encumbrance existing on the Issue Date;
- (2) any mortgage, pledge, security interest, lien or encumbrance upon any capital stock created at the time of the acquisition of such capital stock by the Company or any Subsidiary or within 365 days after such time to secure all or a portion of the purchase price for such capital stock;
- (3) any mortgage, pledge, security interest, lien or encumbrance upon any capital stock existing thereon at the time of the acquisition of such capital stock by the Company or any Subsidiary, whether or not the obligations secured thereby are assumed by the Company or such Subsidiary, other than any mortgage, pledge, security interest, lien or encumbrance created in connection with or in anticipation of such acquisition not for the purpose of securing the purchase price for such capital stock;
- (4) any mortgage, pledge, security interest, lien or encumbrance upon any capital stock to secure or provide for the acquisition, construction, improvement, expansion or development of property by the Company or any Subsidiary; provided that such mortgage, pledge, security interest, lien or encumbrance may not extend to or cover any other property of the Company or any Subsidiary that is not the subject of the related financing;
- (5) any mortgage, pledge, security interest, lien or encumbrance upon any capital stock of (a) Black Hills Southwest, LLC (or any of its direct or indirect Subsidiaries existing on the Issue Date) to finance the project now known as the "Las Vegas" project or (b) Black Hills Wyoming, Inc. (or any of its direct or indirect Subsidiaries) or any other Subsidiary or group of Subsidiaries formed to refinance the project now known as the "Wygen" project; provided that, in either case, such mortgage, pledge, security interest, lien or encumbrance may not extend to or cover any other property of the Company or any Subsidiary that is not the subject of such financing or refinancing, as the case may be;

(6) so long as no additional property of the Company or any Subsidiary is encumbered or made subject to a mortgage, pledge, security interest or lien, any mortgage, pledge, security interest, lien or encumbrance granted in connection with (a) extending, renewing, replacing or refinancing in whole or in part the Indebtedness secured by any mortgage, pledge, security interest, lien or encumbrance described in the foregoing clauses (1) through (5) or (b) any transaction or series of related transactions involving separate projects pursuant to which any of the mortgages, pledges, security interests, liens or encumbrances described in the foregoing clauses (1) through (5) are combined or aggregated; provided, that, for purposes of this subclause (b), all of the Indebtedness secured by such mortgages, pledges, security interests, liens or encumbrances immediately prior to such transaction or series of related transactions is repaid in connection therewith; provided further, that, for purposes of this subclause (b), the aggregate amount of Indebtedness secured by such combined or aggregated mortgages, pledges, security interests, liens or other encumbrances does not exceed the sum of (x) the aggregate amount of extended, renewed, replaced or refinanced Indebtedness secured by such mortgages, pledges, security interests, liens or encumbrances outstanding immediately prior to such transaction or series of related transactions, (y) the then applicable Adjusted Consolidated Capitalization Amount and (z) the amount of Indebtedness then permitted to be secured pursuant to clause (7) below after giving effect to all Indebtedness then outstanding that has been incurred and secured pursuant to clause (7) below;

(7) any mortgage, pledge, security interest, lien or encumbrance upon any capital stock now or hereafter owned by the Company or any Subsidiary to secure any Indebtedness, which would otherwise be subject to the foregoing restriction and not otherwise permitted under any of the foregoing clauses (1) through (6), in an aggregate principal amount which, together with (a) the amount of all other such Indebtedness then outstanding that has been incurred under this clause (7) and (b) the amount of all Indebtedness then outstanding that has been incurred and secured pursuant to the foregoing subclause (6)(b) (but only to the extent that the amount of each such incurrence of Indebtedness exceeded the sum of the amounts permitted at the time of such incurrence by subclauses (x) and (y) of the second proviso thereto), does not at the time of the creation of such mortgage, pledge, security interest, lien or encumbrance exceed 5% of Consolidated Capitalization; or

- (8) any judgment, levy, execution, attachment or other similar lien arising in connection with court proceedings, provided that:
- (a) the execution or enforcement of each such lien is effectively stayed within 60 days after entry of the corresponding

judgment (or the corresponding judgment has been discharged within such 60-day period) and the claims secured thereby are being contested in good faith by appropriate proceedings timely commenced and diligently prosecuted;

(b) the payment of each such lien is covered in full by insurance provided by a third party and the insurance company has not denied or contested coverage thereof; or

(c) each such lien is adequately bonded within 60 days of the creation of such lien.

In case the Company shall propose to pledge, mortgage, hypothecate or grant a security interest in any capital stock of any Subsidiary owned directly or indirectly by the Company or any Subsidiary to secure any Indebtedness, other than as permitted by clauses (1) to (7), inclusive, of this Section 4.1, the Company shall prior thereto give written notice thereof to the Trustee, and the Company shall prior to or simultaneously with such pledge, mortgage, hypothecation or grant of security interest, by supplemental indenture executed by the Company and the Trustee (or to the extent legally necessary by another trustee or an additional or separate trustee), in form satisfactory to the Trustee, effectively secure (for so long as such other Indebtedness shall be so secured) all the Outstanding Notes equally and ratably with such Indebtedness and with any other indebtedness similarly entitled to be equally and ratably secured.

ARTICLE V

Remedies

Section 5.1 Events of Default.

“Event of Default” means, with respect to the Notes, any one or more of the following events (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(a) default in the payment of the principal of or any Make-Whole Amount on any Note at its Maturity;

(b) default in the payment of any interest upon any Note when it becomes due and payable, and continuance of such default for a period of 30 days;

(c) default in the performance, or breach, of any covenant or warranty of the Company in this Supplemental Indenture or the Indenture (other than a covenant or warranty a default in whose performance or whose breach is elsewhere in this Section specifically dealt with or which has expressly been included in the Indenture

solely for the benefit of series of Securities other than the Notes), and continuance of such default or breach for a period of 60 days after there has been given, by registered or certified mail, to the Company by the Trustee or to the Company and the Trustee by the Holders of at least 25% in principal amount of the Notes Outstanding a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a “Notice of Default” hereunder (without giving effect to any applicable grace period with respect to such covenant or warranty);

(d) the entry by a court having jurisdiction in the premises of (i) a decree or order for relief in respect of the Company in an involuntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization or other similar law or (ii) a decree or order adjudging the Company a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Company under any applicable Federal or State law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Company or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order for relief or any such other decree or order unstayed and in effect for a period of 90 consecutive days; or

(e) the commencement by the Company of a voluntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization or other similar law or of any other case or proceeding to be adjudicated a bankrupt or insolvent, or the consent by it to the entry of a decree or order for relief in respect of the Company in an involuntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under any applicable Federal or State law, or the consent by it to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Company or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as they become due, or the taking of corporate action by the Company in furtherance of any such action.

ARTICLE VI

Miscellaneous

Section 6.1 Governing Law.

This Supplemental Indenture and the Notes shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to such states’ conflicts of laws principles.

Section 6.2 Ratification of Indenture.

Except as expressly modified or amended hereby, the Indenture continues in full force and effect and is in all respects confirmed, ratified and preserved.

Section 6.3 Trustee.

The Trustee makes no representations as to the validity or sufficiency of this Supplemental Indenture. The statements and recitals herein are deemed to be those of the Company and not of the Trustee.

Section 6.4 Counterparts.

This Supplemental Indenture may be executed in any number of counterparts, each of which shall be an original, but such counterparts shall together constitute one and the same instrument.

Section 6.5 Separability.

In case any provision in this Supplemental Indenture or in the Notes shall be invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

IN WITNESS WHEREOF, the parties have caused this Supplemental Indenture to be duly executed, all as of the date first above written.

BLACK HILLS CORPORATION,
as the Company

By: _____

Name:
Title:

LASALLE BANK NATIONAL ASSOCIATION,
as Trustee

By: _____

Name:
Title:

FORM OF NOTE

[Face of Security]

[If this Security is a Global Note, insert: THIS SECURITY IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY OR A NOMINEE THEREOF. THIS SECURITY MAY NOT BE EXCHANGED IN WHOLE OR IN PART FOR A SECURITY REGISTERED, AND NO TRANSFER OF THIS SECURITY IN WHOLE OR IN PART MAY BE REGISTERED, IN THE NAME OF ANY PERSON OTHER THAN SUCH DEPOSITARY OR A NOMINEE THEREOF, EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.]

6.50% Notes due 2013

BLACK HILLS CORPORATION

BLACK HILLS CORPORATION, a South Dakota corporation (the “Company”), for value received, hereby promises to pay to _____ or registered assigns the principal sum of _____ DOLLARS on May 15, 2013 (the “Stated Maturity”) or earlier at the option of the Company as provided herein (the “Redemption Date”) and to pay interest thereon from May 21, 2003 or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semi-annually on May 15 and November 15 in each year (each, an “Interest Payment Date”), commencing November 15, 2003, at the rate of 6.50% per annum, until the principal hereof is paid or duly provided for.

All capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Indenture by and between the Company and LaSalle Bank National Association, as trustee (the “Trustee”), dated as of May 21, 2003, as supplemented by the First Supplemental Indenture, dated as of May 21, 2003, by and between the Company and the Trustee (collectively, the “Indenture”).

The interest payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in such Indenture, be paid to the Holder in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, which shall be the May 1 or November 1 (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date at the office or agency of the Company maintained for such purpose. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the Holder on such Regular Record Date, and may be paid to the Holder in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders of Securities of this series not less than 10 days prior to such Special Record Date, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities of this series may be listed, and upon such notice as may be required by such exchange, all as more fully provided in the Indenture. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

The principal of this Security payable on the Stated Maturity or the principal of, or Make-Whole Amount, if any, and, if the Redemption Date is not an Interest Payment Date, interest on this Security payable on the Redemption Date, will be paid against presentation of this Security at the office or agency of the Company maintained for that purpose in the City of Chicago, in such coin or currency of the United

States of America as at the time of payment is legal tender for the payment of public and private debts.

Interest payable on this Security on any Interest Payment Date and on the Stated Maturity or Redemption Date, as the case may be, will include interest accrued from and including the next preceding Interest Payment Date in respect of which interest has been paid or duly provided for (or from and including May 21, 2003, if no interest has been paid on this Security) to but excluding such Interest Payment Date or the Stated Maturity or Redemption Date, as the case may be. If any Interest Payment Date or the Stated Maturity or Redemption Date falls on a day that is not a Business Day, as defined below, principal or Make-Whole Amount, if any, and/or interest payable with respect to such Interest Payment Date or Stated Maturity or Redemption Date, as the case may be, will be paid on the next succeeding Business Day with the same force and effect as if it were paid on the date such payment was due, and no interest shall accrue on the amount so payable for the period from and after such Interest Payment Date or Stated Maturity or Redemption Date, as the case may be. "Business Day" means each Monday, Tuesday, Wednesday, Thursday or Friday which is not a day on which banking institutions in the City of Chicago are authorized or obligated by law or executive order to close.

[If this Security is a Global Note, insert: All payments of principal or Make-Whole Amount, if any, and interest in respect of this Security will be made by the Company in immediately available funds.]

Reference is hereby made to the further provisions of this Security set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the Certificate of Authentication hereon has been executed by the Trustee by manual signature of one of its authorized signatories, this Security shall not be entitled to any benefit under the Indenture, or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed under its facsimile corporate seal.

Dated:

BLACK HILLS CORPORATION

By: _____

Name:

Title:

Attest:

By: _____

Name:

Title:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Securities of the series designated herein referred to in the within-mentioned Indenture.

LASALLE BANK NATIONAL ASSOCIATION,
as Trustee

By: _____

Authorized Officer

BLACK HILLS CORPORATION

6.50% Notes due 2013

This Security is one of a duly authorized issue of securities of the Company (herein called the "Securities"), issued and to be issued in one or more series under an Indenture, dated as of May 21, 2003, as supplemented by the First Supplemental Indenture, dated as of May 21, 2003 (as so supplemented, herein called the "Indenture"), each between the Company and LaSalle Bank National Association, as trustee (herein called the "Trustee," which term includes any successor trustee under the Indenture with respect to the series of which this Security is a part), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee and the Holders of the Securities, and of the terms upon which the Securities are, and are to be, authenticated and delivered. The aggregate principal amount of the Securities to be issued under such series is initially limited to \$250,000,000 (except for Securities authenticated and delivered upon transfer of, or in exchange for, or in lieu of other Securities). All terms used in this Security which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

If an Event of Default, as defined in the Indenture, with respect to the Securities shall occur and be continuing, the principal of the Securities of this series may be declared due and payable in the manner and with the effect provided in the Indenture.

The Securities are subject to redemption, at the option of the Company, in whole at any time or in part from time to time at a redemption price equal to the greater of (i) the principal amount of the Securities to be redeemed plus accrued interest (if any) to the Redemption Date and (ii) the Make-Whole Amount with respect to the Securities being redeemed.

Notice of redemption will be given by mail to Holders of Securities, not less than 30 nor more than 60 days prior to the Redemption Date, all as provided in the Indenture.

In the event of redemption of this Security in part only, a new Security or Securities for the unredeemed portion hereof shall be issued in the name of the Holder hereof upon the cancellation hereof.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Securities under the Indenture at any time by the Company and the Trustee with the consent of the Holders of not less than a majority of the aggregate principal amount of all Securities issued under the Indenture at the time Outstanding and affected thereby. The Indenture also contains provisions permitting the Holders of not less than a majority of the aggregate principal amount of the Outstanding

Securities, on behalf of the Holders of all such Securities, to waive compliance by the Company with certain provisions of the Indenture. Furthermore, provisions in the Indenture permit the Holders of not less than a majority of the aggregate principal amount, in certain instances, of the Outstanding Securities of any series to waive, on behalf of all of the Holders of Securities of such series, certain past defaults under the Indenture and their consequences.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of (and Make-Whole Amount, if any) and interest on this Security at the times, places and rate, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Security is registrable in the Security Register of the Company upon surrender of this Security for registration of transfer at the office or agency of the Company in any place where the principal of (and Make-Whole Amount, if any) and interest on this Security are payable, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or by his attorney duly authorized in writing, and thereupon one or more new Securities, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

As provided in the Indenture and subject to certain limitations therein set forth, this Security is exchangeable for a like aggregate principal amount of Securities of different authorized denominations but otherwise having the same terms and conditions, as requested by the Holder hereof surrendering the same.

The Securities of this series are issuable only in registered form without coupons in denominations of \$1,000 and any integral multiple thereof.

No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

No recourse shall be had for the payment of the principal of or Make-Whole Amount, if any, or the interest on this Security, or for any claim based hereon, or otherwise in respect hereof, or based on or in respect of the Indenture or any indenture supplemental thereto, against any incorporator, stockholder, employee, agent, officer, or director or subsidiary, as such, past, present or future, of the Company or of any successor corporation, either directly or through the Company or any successor

corporation, whether by virtue of any constitution, statute or rule of law or by the enforcement of any assessment or penalty or otherwise, all such liability being, by the acceptance hereof and as part of the consideration for the issue hereof, expressly waived and released.

The Securities and the Indenture shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to such state's conflicts of laws principles.

ASSIGNMENT FORM

To assign this Security, fill in the form below: (I) or (we) assign and transfer this Security to

(Insert assignee's soc. sec. or tax I.D. no.)

(Print or type assignee's name, address and zip code

and irrevocably appoint _____
to transfer this Security on the books of the Company. The agent may substitute another to act for him.

Date: _____

Your Signature: _____
(Sign exactly as your name appears on the face of this Security)

Tax Identification No: _____

SIGNATURE GUARANTEE:

Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Security Registrar, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Security Registrar in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

[Letterhead of Steven J. Helmers]

May 16, 2003

Black Hills Corporation
625 Ninth Street
Rapid City, South Dakota 57701

Re: Black Hills Corporation
Registration Statement on Form S-3, as amended
File No. 333-101541 (the "Registration Statement")

Gentlemen:

I am General Counsel of Black Hills Corporation, a South Dakota corporation (the "Company"), and I have acted as counsel for the Company in connection with the Registration Statement and with respect to the issuance and sale by the Company of \$250,000,000 aggregate principal amount of 6.50% Notes due 2013 (the "Securities") offered pursuant to that certain Prospectus Supplement dated May 16, 2003 (the "Prospectus Supplement"). The Securities are to be issued under an Indenture, dated as of May 21, 2003, between the Company and LaSalle Bank National Association, as Trustee (the "Trustee"), and a First Supplemental Indenture, dated as of May 21, 2003, between the Company and the Trustee (collectively, the "Indenture").

In reaching the conclusions expressed in this opinion, I, or persons responsible to me, have examined (i) the Company's articles of incorporation, as amended, and amended and restated bylaws dated December 20, 2002, (ii) the Registration Statement, and (iii) the Indenture. In addition, I have (a) examined such certificates of public officials and of corporate officers and directors and such other documents and matters as I, or persons responsible to me, have deemed necessary or appropriate, (b) relied upon the accuracy of facts and information set forth in all such documents, and (c) assumed the genuineness of all signatures, the authenticity of all documents submitted to me, or persons responsible to me, as originals, the conformity to original documents of all documents submitted to us as copies, and the authenticity of the originals from which all such copies were made.

Based on the foregoing and subject to the qualifications and limitations stated herein, I am of the opinion that the Securities have been duly authorized and, when issued, delivered and paid for in accordance with the terms and conditions of that certain Underwriting Agreement dated May 16, 2003 (the "Underwriting Agreement") among the Company and the Representatives (as defined in the Underwriting Agreement), will be legally issued and constitute valid and binding obligations of the Company, enforceable in accordance with their terms.

My opinion set forth above is subject to the effects of bankruptcy, insolvency, reorganization, fraudulent transfer or conveyance, moratorium or other similar laws now or

hereinafter in effect relating to or affecting the enforcement of creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

I am a member of the bar of the State of South Dakota. My opinion expressed above is limited to the laws of the States of South Dakota and New York and the federal law of the United States of America, and I do not express any opinion herein concerning the laws of any other jurisdiction. The Indenture provides that it is governed by the laws of the State of New York. To the extent that the opinion expressed herein relates to matters governed by the laws of the State of New York, I have relied, with their permission, as to all matters of New York law, on the opinion of Conner & Winters, P.C. dated May 16, 2003, which is filed as Exhibit 5.2 to the Registration Statement, and my opinion is subject to the exceptions, qualifications and assumptions contained in such opinion.

I consent to the filing of this opinion as an exhibit to the Registration Statement and to the reference to me in the Prospectus Supplement constituting a part of the Registration Statement under the caption "Legal Opinions." In giving this consent, I do not thereby admit that I am in the category of persons whose consent is required under Section 7 of the Securities Act of 1933, as amended, or the rules and regulations of the Securities and Exchange Commission promulgated thereunder.

Sincerely,

/s/ Steven J. Helmers

Steven J. Helmers, General Counsel
of Black Hills Corporation

[Letterhead of Conner & Winters, P.C.]

May 16, 2003

Steven J. Helmers, Esq.
General Counsel
Black Hills Corporation
625 Ninth Street
Rapid City, South Dakota 57701

Re: Black Hills Corporation
Registration Statement on Form S-3, as amended
File No. 333-101541 (the "Registration Statement")

Dear Mr. Helmers:

You are acting as counsel for Black Hills Corporation, a South Dakota corporation (the "Company"), in connection with the preparation and filing of the Registration Statement and with respect to the issuance and sale by the Company of \$250,000,000 aggregate principal amount of 6.50% Notes due 2013 (the "Securities") offered pursuant to that certain Prospectus Supplement dated May 16, 2003 (the "Prospectus Supplement"). The Securities are to be issued under an Indenture, dated as of May 21, 2003, between the Company and LaSalle Bank National Association, as Trustee (the "Trustee"), and a First Supplemental Indenture, dated as of May 21, 2003, between the Company and the Trustee (collectively, the "Indenture").

As such counsel, you are furnishing an opinion in accordance with the requirements of Item 601(b)(5) of Regulation S-K under the Securities Act of 1933, as amended (the "Act"). In connection with such opinion, you have asked us to opine with respect to certain matters governed by New York law.

In connection with this opinion, we have examined originals or copies, certified or otherwise identified to our satisfaction, of (i) the Company's articles of incorporation, as amended, and the amended and restated bylaws dated December 20, 2002, (ii) the Registration Statement, and (iii) the Indenture. We have also examined originals or copies, certified or otherwise identified to our satisfaction, of such records of the Company and such agreements, certificates of public officials, certificates of officers or other representatives of the Company and others, and such other documents, certificates and records as we have deemed necessary or appropriate as a basis for the opinions set forth herein.

In our examination, we have assumed the legal capacity of all natural persons, the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified, conformed or photostatic copies and the authenticity of the originals of such latter documents. In making our

examination of executed documents or documents to be executed, we have assumed that the parties thereto, including the Company, had or will have the power, corporate or other, to enter into and perform all obligations thereunder and have also assumed the due authorization by all requisite action, corporate or other, and execution and delivery by such parties of such documents, and, as to parties other than the Company, the validity and binding effect on such parties. We have also assumed that the Company has been duly organized and is validly existing in good standing under the laws of the State of South Dakota and that the Company has complied with all aspects of applicable laws of jurisdictions other than the United States of America and the State of New York in connection with the transactions contemplated by the Indenture and the Registration Statement. We have also assumed that the choice of New York law to govern the Indenture is a valid and legal provision.

Our opinions set forth herein are limited to the laws of the State of New York that are normally applicable to transactions of the type contemplated by the Prospectus Supplement and to the extent that judicial or regulatory orders or decrees or consents, approvals, licenses, authorizations, validations, filings, recordings or registrations with governmental authorities are relevant, to those required under such laws (all of the foregoing being referred to as "Opined on Law"). We do not express any opinion with respect to the law of any jurisdiction other than Opined on Law or as to the effect of any such non opined law on the opinions herein stated.

Based upon and subject to the foregoing and the limitations, qualifications, exceptions and assumptions set forth herein, we are of the opinion that the Securities, when duly executed, delivered and paid for in accordance with the terms of that certain Underwriting Agreement dated May 16, 2003 (the "Underwriting Agreement") among the Company and the Representatives (as defined in the Underwriting Agreement), will be legally issued and constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their terms.

The opinion set forth above is subject to the following qualifications, further assumptions and limitations:

(a) the enforcement of any agreements or instruments may be limited by (1) bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar laws now or hereafter in effect relating to creditors' rights generally and (2) general principles of equity (regardless of whether enforceability is considered in a proceeding at law or in equity); and

(b) we have assumed that the execution and delivery by the Company of the Indenture and the performance by the Company of its obligations thereunder do not and will not violate, conflict with or constitute a default under any agreement or instrument to which the Company or its properties is subject.

Steven J. Helmers, Esq.

May 16, 2003

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We understand that in relying on this opinion you may attach this opinion as an exhibit to the Registration Statement. We also consent to the reference to our firm under the caption "Legal Opinions" in the Prospectus Supplement. In giving this consent, we do not thereby admit that we are included in the category of persons whose consent is required under Section 7 of the Act or the rules and regulations of the Securities and Exchange Commission.

Very truly yours,

CONNER & WINTERS, P.C.

/s/ Conner & Winters, P.C.

BLACK HILLS CORPORATION
Computation of Ratios of Earnings to Fixed Charges and Earnings to
Fixed Charges and Preferred Stock Dividends

	Historical						Pro-Forma		
	Year ended December 31,					Three months ended March 31,		Year ended December 31	Three months ended March 31
	1998	1999	2000	2001	2002	2003	2002	2002	2003
RATIO OF EARNINGS TO FIXED CHARGES:									
EARNINGS:									
Pretax income from continuing operations before adjustment for minority interests in consolidated subsidiaries or income or loss from equity investees:									
Income before minority interest, income taxes, discontinued operations and change in accounting principle	37,449	52,022	94,427	141,920	96,017	25,499	25,085	86,088	22,909
Less: Equity in earnings of unconsolidated subs	—	—	(20,149)	(14,776)	(4,588)	(456)	(1,162)	(4,588)	(456)
Total	37,449	52,022	74,278	127,144	91,429	25,043	23,923	81,500	22,453
Fixed Charges									
Interest Expensed	14,707	15,054	29,924	38,860	38,025	12,423	8,804	47,954	15,013
Capitalized Interest	—	1,109	1,246	6,848	10,530	190	2,308	10,530	190
Amortization of debt issuance costs	216	172	212	619	3,209	1,659	817	3,404	1,708
Estimate of interest within rental expense	49	68	191	1,517	422	455	78	422	455
Total fixed charges	14,972	16,403	31,573	47,844	52,186	14,727	12,007	62,310	17,366
Amortization of capitalized interest	—	—	4	133	695	192	38	695	192
Distributed income of equity investees	—	—	13,838	6,328	2,737	120	—	2,737	120
Interest Capitalized	—	(1,109)	(1,246)	(6,848)	(10,530)	(190)	(2,308)	(10,530)	(190)
Preferred dividend requirements of consolidated subsidiaries	—	—	—	—	—	—	—	—	—
Minority interest in pre-tax income of subsidiaries that have not incurred fixed charges	—	—	(11,083)	(2,231)	(1,239)	—	(512)	(1,239)	—
Total earnings	52,421	67,316	107,364	172,370	135,278	39,892	33,148	135,473	39,941
Total fixed charges	14,972	16,403	31,573	47,844	52,186	14,727	12,007	62,310	17,366
Ratio of Earnings to Fixed Charges	3.50	4.10	3.40	3.60	2.59	2.71	2.76	2.17	2.30
Preference Security Dividend adjusted for pretax earnings required to service preferred dividend	—	—	120	811	343	88	86	343	88
Ratio of Earnings to Fixed Charges and Preferred Stock Dividends	3.50	4.10	3.39	3.54	2.58	2.69	2.74	2.16	2.29

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM T-1

**STATEMENT OF ELIGIBILITY
UNDER THE TRUST INDENTURE ACT OF 1939 OF A
CORPORATION DESIGNATED TO ACT AS TRUSTEE**

Check if an application to determine eligibility of A trustee
pursuant to Section 305(b)(2)

LASALLE BANK NATIONAL ASSOCIATION

(Exact name of trustee as specified in its charter)

36-0884183
(I.R.S. Employer
Identification No.)

135 South LaSalle Street, Chicago, Illinois 60603
(Address of principal executive offices) (Zip Code)

Willie J. Miller, Jr.
Group Senior Vice President
Chief Legal Officer and Secretary
Telephone: (312) 904-2018
135 South LaSalle Street, Suite 925
Chicago, Illinois 60603
(Name, address and telephone number of agent for service)

BLACK HILLS CORPORATION

(Exact name of obligor as specified in its charter)

South Dakota
(State or other jurisdiction of
incorporation or organization)

625 Ninth Street
Rapid City, South Dakota
(Address of principal executive offices)

46-0458824
(I.R.S. Employer
Identification No.)

57701
(Zip Code)

6.50% Notes due 2013
(Title of the indenture securities)

ITEM 1. GENERAL INFORMATION*

Furnish the following information as to the trustee:

- (a) Name and address of each examining or supervising authority to which it is subject.
 - 1. Comptroller of the Currency, Washington D.C.
 - 2. Federal Deposit Insurance Corporation, Washington, D.C.
 - 3. The Board of Governors of the Federal Reserve Systems, Washington, D.C.
- (b) Whether it is authorized to exercise corporate trust powers.
 - Yes.

ITEM 2. AFFILIATIONS WITH THE OBLIGOR.

If the obligor is an affiliate of the trustee, describe each such affiliation.

Not Applicable

*Pursuant to General Instruction B, the trustee has responded only to items 1, 2 and 16 of this form since to the best knowledge of the trustee the obligor is not in default under any indenture under which the trustee is a trustee.

ITEM 16. LIST OF EXHIBITS.

List below all exhibits filed as part of this statement of eligibility and qualification.

1. A copy of the Articles of Association of LaSalle Bank National Association now in effect (incorporated herein by reference to Exhibit 1 filed with Form T-1 in File No. 333-101155).
2. A copy of the certificate of authority to commence business (incorporated herein by reference to Exhibit 2 filed with Form T-1 filed with the Current Report on Form 8-K, dated June 29, 2000, in File No. 333-61691).
3. A copy of the authorization to exercise corporate trust powers (incorporated herein by reference to Exhibit 3 filed with Form T-1 filed with the Current Report on Form 8-K, dated June 29, 2000, in File No. 333-61691).
4. A copy of the existing By-Laws of LaSalle Bank National Association (incorporated herein by reference to Exhibit 4 filed with Form T-1 in File No. 333-101155).
5. Not applicable.
6. The consent of the trustee required by Section 321(b) of the Trust Indenture Act of 1939 (incorporated herein by reference to Exhibit 6 filed with Form T-1 filed with the Current Report on Form 8-K, dated June 29, 2000, in File No. 333-61691).
7. A copy of the latest report of condition of the trustee published pursuant to law or the requirements of its supervising or examining authority.
8. Not applicable.
9. Not applicable.

SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939, the trustee, LaSalle Bank National Association, a corporation organized and existing under the laws of the United States of America, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of Chicago, State of Illinois, on the 19th day of May, 2003.

LASALLE BANK NATIONAL ASSOCIATION

By: /s/ JOHN PORTER

John Porter
Vice President

EXHIBIT 7

COPY OF THE LATEST REPORT OF CONDITION OF THE TRUSTEE

LaSalle Bank N.A.
135 South LaSalle Street
Chicago, IL 60603

Call Date: 3/31/2003

ST-BK: 17-1520

Vendor ID: D

CERT: 15407

FFIEC

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RC- 1

031

Transit Number: 71000505

**Consolidated Report of Condition for Insured Commercial and
State-Chartered Savings Banks for March 31, 2003**

All schedules are to be reported in thousands of dollars. Unless otherwise indicated, report the amount outstanding as of the last business day of the quarter.

Schedule RC—Balance Sheet

Dollar Amounts in Thousands

ASSETS

			<u>RCFD</u>	
1. Cash and balances due from depository institutions (from Schedule RC-A):				
a. Noninterest-bearing balances and currency and coin (1)			0081	2,005,672 1.a
b. Interest-bearing balances (2)			0071	100,487 1.b
2. Securities:				
a. Held-to-maturity securities (from Schedule RC-B, column A)			1754	223,822 2.a
b. Available-for-sale securities (from Schedule RC-B, column D)			1773	21,996,958 2.b
3. Federal funds sold and securities purchased under agreements to resell				
a. Federal funds sold in domestic offices			B987	162,060 3.a
b. Securites purchased under agreements to resell (3)			B989	67,111 3.b
4. Loans and lease financing receivables (from schedule RC-C)				
a. Loans and leases held for sale			5369	329,594 4.a
b. Loans and leases, net of unearned income	B528	33,030,703		
c. LESS: Allowance for loan and lease losses	3123	544,116		4.c
d. Loans and leases, net of unearned income, allowance, and reserve (item 4.a minus 4.b and 4.c)			B529	32,486,587 4.d
5. Trading assets (from Schedule RC-D)			3545	550,987 5.
6. Premises and fixed assets (including capitalized leases)			2145	262,094 6.
7. Other real estate owned (from Schedule RC-M)			2150	21,896 7.
8. Investments in unconsolidated subsidiaries and associated companies (from Schedule RC-M)			2130	0 8.
9. Customers' liability to this bank on acceptances outstanding			2155	12,948 9.
10. Intangible assets (from Schedule RC-M)				
a. Goodwill			3163	181,613 10.a
b. Other Intangible assets			0426	10,245 10.b
11. Other assets (from Schedule RC-F)			2160	2,085,172 11.
12. Total assets (sum of items 1 through 11)			2170	60,497,246 12.

- (1) Includes cash items in process of collection and unposted debits.
(2) Includes time certificates of deposit not held for trading.
(3) Includes all securites resale agreements in domestic and foreign offies, regardless of maturity.

LaSalle Bank N.A.
135 South LaSalle Street
Chicago, IL 60603

Call Date: 3/31/2003

ST-BK: 17-1520

Vendor ID: D

CERT: 15407

FFIEC

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RC- 2

031

Transit Number: 71000505

Schedule RC-Continued

Dollar Amounts in Thousands

LIABILITIES

13.	Deposits:				
	a. In domestic offices (sum of totals of columns A and C from Schedule RC-E, part I)		<u>RCON</u>		
			2200	25,935,670	13.a
			<u>RCON</u>		
	(1) Noninterest-bearing (1)	6631		5,511,356	13.a.1
	(2) Interest-bearing	6636		20,424,314	13.a.2
				<u>RCFN</u>	
	b. In foreign offices, Edge and Agreement subsidiaries, and IBFs (from Schedule RC-E, part II)		2200	5,907,797	13.b
			<u>RCFN</u>		
	(1) Noninterest-bearing	6631		0	13.b.1
	(2) Interest-bearing	6636		5,907,797	13.b.2
				<u>RCON</u>	
14.	Federal funds purchased and securities sold under agreements to repurchase:				
	a. Federal funds purchased in domestic offices (2)		B993	3,688,632	14.a
			<u>RCFD</u>		
	b. Securities sold under agreements to repurchase (3)		B995	2,929,686	14.b
15.	Trading liabilities (from Schedule RC-D)		3548	207,652	15
16.	Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases): From schedule RC-M		3190	10,174,217	16
17.	Not applicable.				
18.	Bank's liability on acceptances executed and outstanding		2920	12,948	18.
19.	Subordinated notes and debentures (4)		3200	610,000	19.
20.	Other liabilities (from Schedule RC-G)		2930	6,447,618	20.
21.	Total liabilities (sum of items 13 through 20)		2948	55,914,220	21.
22.	Minority Interest in consolidated subsidiaries		3000	28,942	22.

EQUITY CAPITAL

			<u>RCFD</u>		
23.	Perpetual preferred stock and related surplus		3838	635,410	23.
24.	Common stock		3230	41,234	24.
25.	Surplus (exclude all surplus related to preferred stock)		3839	1,917,163	25.
26.	a. Retained Earnings		3632	1,852,938	26.a
	b. Accumulated Other Comprehensive income.(5)		B530	107,339	26.b
27.	Other Equity capital components (6)		3284	0	27.
28.	Total equity capital (sum of items 23 through 27)		3210	4,554,084	28.
29.	Total liabilities, minority interest, and equity capital (sum of items 21, 22, and 28)		3300	60,497,246	29.

Memorandum**To be reported only with the March Report of Condition.**

1. Indicate in the box at the right the number of the statement below that best describes the most comprehensive level of auditing work performed for the bank by independent external auditors as of any date during 2001

<u>RCFD</u>	<u>Number</u>	<u>M.I</u>
6724	2	

1 =	Independent audit of the bank conducted in accordance with generally accepted auditing standards by a certified public accounting firm which submits a report on the bank	4 =	Directors' examination of the bank conducted in accordance with generally accepted auditing standards by a certified accounting firm (may be required by state chartering authority)
2 =	Independent audit of the bank's parent holding company conducted in accordance with generally accepted auditing standards by a certified public accounting firm which submits a report on the consolidated holding company (but not on the bank separately)	5 =	Directors' examination of the bank performed by other external auditors (may be required by state chartering authority)
		6 =	Review of the bank's financial statements by external auditors
3 =	Attestation on bank managements assertion on the effectiveness of the bank's internal control over financial reporting by a certified public accounting firm.	7 =	Compilation of the bank's financial statements by external auditors
		8 =	Other audit procedures (excluding tax preparation work)
		9 =	No external audit work

(1) Includes total demand deposits and noninterest-bearing time and savings deposits.

(2) Report overnight Federal Home Loan Bank advances in Schedule RC, item 16 "other borrowed money."

(3) Includes all securities repurchased agreements in domestic and foreign offices, regardless of maturity.

(4) Includes limited-life preferred stock and related surplus.

(5) Includes net unrealized holding gains(losses) on available for sale securities, accumulated net gains (losses) on cash flow hedges, cumulative foreign

currency translation adjustments, and minimum pension liability adjustments.

- (6) Includes treasury stock and unearned Employee Stock Ownership plan shares.