

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

FORM 8-K

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

Date of Report (Date of earliest event reported) May 26, 2005

BLACK HILLS CORPORATION
(Exact name of registrant as specified in its charter)

South Dakota
(State or other jurisdiction of incorporation)

001-31303
(Commission File Number)

46-0458824
(IRS Employer Identification No.)

625 Ninth Street, PO Box 1400
Rapid City, South Dakota
(Address of principal executive offices)

57709-1400
(Zip Code)

605.721.1700
(Registrant's telephone number, including area code)

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

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry into a Material Definitive Agreement

Compensation of Non-Employee Directors

On May 26, 2005, the Board of Directors of Black Hills Corporation approved revised compensation arrangements for non-employee directors. Director compensation is established by the Board of Directors and periodically reviewed. The Board of Directors believes the revised compensation arrangements are commensurate with those of similar companies and better align director and shareholder interests.

Effective June 1, 2005 each non-employee director will receive an annual cash retainer of \$28,000, payable on a monthly basis and will receive common stock equivalents equal to \$28,000 per year pursuant to the Third Amendment to the Outside Directors Stock Based Compensation Plan which is filed as an exhibit to this filing and incorporated herein by reference. The common stock equivalents are payable in stock or cash at retirement or can be deferred at the election of the Director. It is the Board of Directors' intention that, in the future, all Directors' compensation will be divided equally between cash and equity.

The Directors also approved a meeting fee of \$1,250 per meeting. The Lead Director and Committee Chairpersons will continue to receive an additional annual retainer fee of \$8,000 and \$4,000, respectively.

Item 9.01 Financial Statements and Exhibits

(c) Exhibits. The following exhibits are filed herewith:

<u>Exhibit Number</u>	<u>Title of Document</u>
10.1	Third Amendment to the Outside Directors Stock Based Compensation Plan

SIGNATURES

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

BLACK HILLS CORPORATION

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

Date: June 2, 2005

Exhibit Index

<u>Exhibit Number</u>	<u>Title of Document</u>
10.1	Third Amendment to the Outside Directors Stock Based Compensation Plan

**THIRD AMENDMENT TO THE
OUTSIDE DIRECTORS STOCK BASED COMPENSATION PLAN**

This Third Amendment to the Outside Directors Stock Based Compensation Plan ("Amendment") is adopted by Black Hills Corporation ("Company") effective the 1st day of June, 2005.

1. RECITALS.

This document is the Third Amendment to the Outside Directors Stock Based Compensation Plan which was adopted by the Company effective the 1st day of June, 2005 ("Plan"). Under Section 10 of the Plan, the Company reserved the right to amend, modify, or discontinue the Plan provided only that any modification is not to reduce accrued and unpaid benefits. The amendment hereunder does not reduce any accrued or unpaid benefits.

2. AMENDMENTS TO SECTION 4; PROVISION OF ADDITIONAL ANNUAL BENEFITS.

Section 4 of the Plan is amended by adding the following f and g:

- f. For the purposes of this section, the term "Quarter Period" shall mean June 1 through August 31, September 1 through November 30, December 1 through February 28 or 29 and March 1 through May 31. Beginning with June 1, 2005, and for the remainder of the Plan year, and for each Plan year thereafter, each Participant shall be entitled to a quarterly addition to their Account in the amount of the number of Company common stock equivalents determined by dividing the sum of \$7,000 by the market price of the Company common stock on the last day of the Quarter Period for each Quarter Period of the Plan year that the Participant is eligible for benefits. If a Participant is not a Director for the entire Quarter Period, then the Participant's addition for the quarter should be prorated for the number of days that the Participant served as Director.

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- g. Shares issued under this Plan will be issued under the Black Hills Corporation 2005 Omnibus Incentive Plan.

3. NO OTHER CHANGES.

Other than specifically set forth herein, all terms, conditions and provisions of the Plan shall remain the same.

Dated this 26th day of May, 2005.

BLACK HILLS CORPORATION

By: /s/ David R. Emery
Its Chairman, President and CEO

ATTEST:

/s/ Roxann R. Basham
Secretary

(CORPORATE SEAL)