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Annual Report
in 1999*

PUBLIC SERVICE
COMMISSION

BLACK HILLS CORPORATION

P.O. BOX 1400 625 NINTH STREET
RAPID CITY, SOUTH DAKOTA 57709

MARK T. THIES
CONTROLLER

TELEPHONE
(605) 348-1700

April 30, 1999

check # 233880

Montana Public Service Commission
1701 Prospect Ave
P O Box 202601
Helena MT 59620-2601

Dear Sirs:

Enclosed is the 1998 Annual Electric Utility Report for Black Hills Power and Light Company, along with the \$25.00 annual filing fee.

Sincerely,



Mark T. Thies
Controller

MTT:pac

Enclosures

IDENTIFICATION

Year: 1998

1. Legal Name of Respondent:	Black Hills Corporation
2. Name Under Which Respondent Does Business:	Black Hills Corporation
3. Date Utility Service First Offered in Montana	February 23, 1968
4. Address to send Correspondence Concerning Report:	Post Office Box 1400 625 Ninth Street Rapid City, SD 57709
5. Person Responsible for This Report:	Mark T. Thies, Controller
5a. Telephone Number:	(605) 348-1700
Control Over Respondent	
1. If direct control over the respondent was held by another entity at the end of year provide the following:	
1a. Name and address of the controlling organization or person:	
1b. Means by which control was held:	
1c. Percent Ownership:	

SCHEDULE 2

Board of Directors			
Line	Name of Director and Address (City, State)		Remuneration
	(a)		(b)
1	Glenn C. Barber	Rapid City SD	22,200
2	Bruce B. Brundage	Englewood CO	22,200
3	Thomas J. Zeller	Rapid City SD	22,200
4	Adil M. Ameer	Rapid City SD	21,000
5	John R. Howard	Rapid City SD	22,200
6	Everett E. Hoyt*	Rapid City SD	
7	Kay S. Jorgensen	Spearfish SD	22,800
8	Daniel P. Landguth*	Rapid City SD	
9	David Ebertz	Gillette WY	15,200
10			
11			
12			
13	* Officers of the Company-		
14	Not compensated as Directors		
15			
16			
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20			

Officers

Year: 1998

Line No.	Title of Officer (a)	Department Supervised (b)	Name (c)
1	Chairman of the Board,		Daniel P. Landguth
2	President and CEO		
3			
4	President and Chief		Everett E. Hoyt
5	Operating Officer of the		
6	Utility		
7			
8	Vice President - Finance		Roxann R. Basham
9	and Secretary/Treasurer		
10			
11	Vice President -		Gary R. Fish
12	Development		
13			
14	Vice President -		James M. Mattern
15	Corporate Administration		
16	and Assistant to the CEO		
17			
18	Vice President -		Thomas M. Ohlmacher
19	Power Supply		
20			
21	Vice President -		David R. Emery
22	Fuel Resources		
23			
24	Vice President -		Kyle D. White
25	Marketing and Regulatory		
26	Affairs		
27			
28	Controller		Mark T. Thies
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CORPORATE STRUCTURE

Year: 1998

	Subsidiary/Company Name	Line of Business	Earnings	Percent of Total
1				
2	Wyodak Resources Development	Coal Mining	1,083,884	4.18%
3	Corporation			
4				
5	Black Hills Power and Light Co.	Utility	24,825,172	95.82%
6				
7				
8				
9				
10	SUBSIDIARY		EARNINGS	
11				
12	Western Production Co.		(7,975,682)	1
13	Oil & Gas Exploration			
14	DAKSOFT, INC.		93,868	1
15	Software Marketing			
16	WYGEN, INC.		(118,571)	1
17	Exempt Wholesale Generator			
18	Landrica Development Corp.		63,628	1
19	Real Estate Development			
20	Black Hills Capital Group, Inc.		121,301	1
21	Corporate Development			
22	ENSERCO Energy Marketing, Inc.		783,721	2
23	Energy Marketing			
24	Black Hills Energy Resources, Inc.		(1,051,223)	2
25	Energy Marketing			
26	Varifuel, Inc.		(145,699)	2
27	Energy Marketing			
28	Black Hills Coal Network, Inc.		67,323	2
29	Coal Marketing			
30	Black Hills FiberCom, Inc.		(440,820)	2
31	Communications			
32				
33				
34	(1) Wholly owned subsidiary of Wyodak Resources Development Corp.			
35				
36	(2) Wholly owned subsidiary of Black Hills Capital Group, Inc.			
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39				
40				
41				
42				100.00%
43				
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50	TOTAL		25,909,056	

CORPORATE ALLOCATIONS

Year: 1998

	Items Allocated	Classification	Allocation Method	\$ to MT Utility	MT %	\$ to Other
1	NOT SIGNIFICANT TO MONTANA OPERATIONS					
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34	TOTAL					

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED TO UTILITY

Year: 1998

Line No.	(a) Affiliate Name	(b) Products & Services	(c) Method to Determine Price	(d) Charges to Utility	(e) % Total Affil. Revs.	(f) Charges to MT Utility
1	Wyodak Resources	Coal Sales to Utility	Fair Market Value	10,256,074	32.65%	61,285
2	Development Corp.		(Based on similar Arms-length transactions)			
3						
4						
5	Daksoft, Inc. *	Software Development and	Fair Market Value	1,291,217	52.98%	7,703
6		Computer Support	(Based on similar Arms-length transactions)			
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8						
9	*Previously included in the					
10	Utility O & M expense					
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32	TOTAL			11,547,291		68,988

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED BY UTILITY Year: 1998

Line No.	(a) Affiliate Name	(b) Products & Services	(c) Method to Determine Price	(d) Charges to Affiliate	(e) % Total Affil. Exp.	(f) Revenues to MT Utility
1	Wyodak Resources	Electricity	Wyoming Industrial Rate	406,816	100.00%	\$0
2	Development Corp.					
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32	TOTAL			406,816		

MONTANA UTILITY INCOME STATEMENT

Year: 1998

	Account Number & Title	Last Year	This Year	% Change
1	400 Operating Revenues Montana = \$702,715	126,496,604	129,236,491	2.17%
2				
3	Operating Expenses			
4	401 Operation Expenses	55,974,421	52,904,009	-5.49%
5	402 Maintenance Expense	5,941,980	5,544,819	-6.68%
6	403 Depreciation Expense	14,456,529	14,730,143	1.89%
7	404-405 Amortization of Electric Plant			
8	406 Amort. of Plant Acquisition Adjustments	151,404	151,404	
9	407 Amort. of Property Losses, Unrecovered Plant			
10	& Regulatory Study Costs			
11	408.1 Taxes Other Than Income Taxes	5,361,066	6,010,002	12.10%
12	409.1 Income Taxes - Federal	8,763,691	11,500,668	31.23%
13	- Other			
14	410.1 Provision for Deferred Income Taxes	1,666,849	1,611,304	-3.33%
15	411.1 (Less) Provision for Def. Inc. Taxes - Cr.			
16	411.4 Investment Tax Credit Adjustments	(501,660)	(500,291)	0.27%
17	411.6 (Less) Gains from Disposition of Utility Plant			
18	411.7 Losses from Disposition of Utility Plant			
19				
20	TOTAL Utility Operating Expenses	91,814,280	91,952,058	0.15%
21	NET UTILITY OPERATING INCOME	34,682,324	37,284,433	7.50%

MONTANA REVENUES

SCHEDULE 9

	Account Number & Title	Last Year	This Year	% Change
1	Sales of Electricity			
2	440 Residential	8,973	7,369	-17.87%
3	442 Commercial & Industrial - Small	65,649	50,390	-23.24%
4	Commercial & Industrial - Large	522,022	647,379	24.01%
5	444 Public Street & Highway Lighting			
6	445 Other Sales to Public Authorities			
7	446 Sales to Railroads & Railways			
8	448 Interdepartmental Sales			
9				
10	TOTAL Sales to Ultimate Consumers	596,644	705,138	18.18%
11	447 Sales for Resale			
12				
13	TOTAL Sales of Electricity	596,644	705,138	18.18%
14	449.1 (Less) Provision for Rate Refunds			
15				
16	TOTAL Revenue Net of Provision for Refunds	596,644	705,138	18.18%
17	Other Operating Revenues			
18	450 Forfeited Discounts & Late Payment Revenues	38	61	60.53%
19	451 Miscellaneous Service Revenues	8	16	100.00%
20	453 Sales of Water & Water Power			
21	454 Rent From Electric Property	90,000	(2,500)	-102.78%
22	455 Interdepartmental Rents			
23	456 Other Electric Revenues			
24				
25	TOTAL Other Operating Revenues	90,046	(2,423)	-102.69%
26	Total Electric Operating Revenues	686,690	702,715	2.33%

MONTANA OPERATION & MAINTENANCE EXPENSES*

Year: 1998

Account Number & Title		Last Year	This Year	% Change
1	Power Production Expenses			
2				
3	Steam Power Generation			
4	Operation			
5	500 Operation Supervision & Engineering	673,716	1,023,096	51.86%
6	501 Fuel	13,990,910	13,132,098	-6.14%
7	502 Steam Expenses	2,291,654	2,519,097	9.92%
8	503 Steam from Other Sources			
9	504 (Less) Steam Transferred - Cr.			
10	505 Electric Expenses	745,016	740,522	-0.60%
11	506 Miscellaneous Steam Power Expenses	905,455	661,253	-26.97%
12	507 Rents			
13				
14	TOTAL Operation - Steam	18,606,751	18,076,066	-2.85%
15				
16	Maintenance			
17	510 Maintenance Supervision & Engineering	365,489	625,951	71.26%
18	511 Maintenance of Structures	162,110	208,903	28.86%
19	512 Maintenance of Boiler Plant	2,346,716	2,202,712	-6.14%
20	513 Maintenance of Electric Plant	669,318	337,657	-49.55%
21	514 Maintenance of Miscellaneous Steam Plant	507,860	398,289	-21.58%
22				
23	TOTAL Maintenance - Steam	4,051,493	3,773,512	-6.86%
24				
25	TOTAL Steam Power Production Expenses	22,658,244	21,849,578	-3.57%
26				
27	Nuclear Power Generation			
28	Operation			
29	517 Operation Supervision & Engineering			
30	518 Nuclear Fuel Expense			
31	519 Coolants & Water			
32	520 Steam Expenses			
33	521 Steam from Other Sources			
34	522 (Less) Steam Transferred - Cr.			
35	523 Electric Expenses			
36	524 Miscellaneous Nuclear Power Expenses			
37	525 Rents			
38				
39	TOTAL Operation - Nuclear			
40				
41	Maintenance			
42	528 Maintenance Supervision & Engineering			
43	529 Maintenance of Structures			
44	530 Maintenance of Reactor Plant Equipment			
45	531 Maintenance of Electric Plant			
46	532 Maintenance of Miscellaneous Nuclear Plant			
47				
48	TOTAL Maintenance - Nuclear			
49				
50	TOTAL Nuclear Power Production Expenses			

MONTANA OPERATION & MAINTENANCE EXPENSES*

Year: 1998

Account Number & Title		Last Year	This Year	% Change
1	Power Production Expenses -continued			
2	Hydraulic Power Generation			
3	Operation			
4	535 Operation Supervision & Engineering			
5	536 Water for Power			
6	537 Hydraulic Expenses			
7	538 Electric Expenses			
8	539 Miscellaneous Hydraulic Power Gen. Expenses			
9	540 Rents			
10				
11	TOTAL Operation - Hydraulic			
12				
13	Maintenance			
14	541 Maintenance Supervision & Engineering			
15	542 Maintenance of Structures			
16	543 Maint. of Reservoirs, Dams & Waterways			
17	544 Maintenance of Electric Plant			
18	545 Maintenance of Miscellaneous Hydro Plant			
19				
20	TOTAL Maintenance - Hydraulic			
21				
22	TOTAL Hydraulic Power Production Expenses			
23				
24	Other Power Generation			
25	Operation			
26	546 Operation Supervision & Engineering	1,430	2,119	48.18%
27	547 Fuel	443,622	1,415,339	219.04%
28	548 Generation Expenses	166,844	182,699	9.50%
29	549 Miscellaneous Other Power Gen. Expenses	277	2,479	794.95%
30	550 Rents			
31				
32	TOTAL Operation - Other	612,173	1,602,636	161.79%
33				
34	Maintenance			
35	551 Maintenance Supervision & Engineering	12,939	10,966	-15.25%
36	552 Maintenance of Structures	18,820	10,565	-43.86%
37	553 Maintenance of Generating & Electric Plant	96,558	117,154	21.33%
38	554 Maintenance of Misc. Other Power Gen. Plant	9,788	13,871	41.71%
39				
40	TOTAL Maintenance - Other	138,105	152,556	10.46%
41				
42	TOTAL Other Power Production Expenses	750,278	1,755,192	133.94%
43				
44	Other Power Supply Expenses			
45	555 Purchased Power	21,571,091	18,970,779	-12.05%
46	556 System Control & Load Dispatching			
47	557 Other Expenses			
48				
49	TOTAL Other Power Supply Expenses	21,571,091	18,970,779	-12.05%
50				
51	TOTAL Power Production Expenses	44,979,613	42,575,549	-5.34%

MONTANA OPERATION & MAINTENANCE EXPENSES*

Year: 1998

Account Number & Title		Last Year	This Year	% Change
1	Transmission Expenses			
2	Operation			
3	560 Operation Supervision & Engineering	198,529	254,924	28.41%
4	561 Load Dispatching	531,764	529,604	-0.41%
5	562 Station Expenses	87,413	46,303	-47.03%
6	563 Overhead Line Expenses	86,504	37,345	-56.83%
7	564 Underground Line Expenses			
8	565 Transmission of Electricity by Others	844,773	1,818,159	115.22%
9	566 Miscellaneous Transmission Expenses	152,544	142,306	-6.71%
10	567 Rents			
11				
12	TOTAL Operation - Transmission	1,901,527	2,828,641	48.76%
13	Maintenance			
14	568 Maintenance Supervision & Engineering	35,412	38,075	7.52%
15	569 Maintenance of Structures			
16	570 Maintenance of Station Equipment	131,881	97,650	-25.96%
17	571 Maintenance of Overhead Lines	137,239	130,999	-4.55%
18	572 Maintenance of Underground Lines			
19	573 Maintenance of Misc. Transmission Plant	594	1,577	165.49%
20				
21	TOTAL Maintenance - Transmission	305,126	268,301	-12.07%
22				
23	TOTAL Transmission Expenses	2,206,653	3,096,942	40.35%
24	Distribution Expenses			
25	Operation			
27	580 Operation Supervision & Engineering	317,319	339,406	6.96%
28	581 Load Dispatching	6,082	40,933	573.02%
29	582 Station Expenses	203,072	176,016	-13.32%
30	583 Overhead Line Expenses	789,495	479,670	-39.24%
31	584 Underground Line Expenses	136,164	131,977	-3.07%
32	585 Street Lighting & Signal System Expenses	751	811	7.99%
33	586 Meter Expenses	324,105	329,196	1.57%
34	587 Customer Installations Expenses	29,779	36,743	23.39%
35	588 Miscellaneous Distribution Expenses	254,271	286,712	12.76%
36	589 Rents	25,566	24,886	-2.66%
37				
38	TOTAL Operation - Distribution	2,086,604	1,846,350	-11.51%
39	Maintenance			
40	590 Maintenance Supervision & Engineering	21,481	27,988	30.29%
41	591 Maintenance of Structures			
42	592 Maintenance of Station Equipment	93,093	53,859	-42.14%
43	593 Maintenance of Overhead Lines	779,602	809,991	3.90%
44	594 Maintenance of Underground Lines	154,018	90,013	-41.56%
45	595 Maintenance of Line Transformers	54,092	27,317	-49.50%
46	596 Maintenance of Street Lighting, Signal Systems	97,619	99,096	1.51%
47	597 Maintenance of Meters	52,996	40,107	-24.32%
48	598 Maintenance of Miscellaneous Dist. Plant	28,531	22,093	-22.56%
49				
50	TOTAL Maintenance - Distribution	1,281,432	1,170,464	-8.66%
51				
52	TOTAL Distribution Expenses	3,368,036	3,016,814	-10.43%

MONTANA OPERATION & MAINTENANCE EXPENSES*

Year: 1998

Account Number & Title		Last Year	This Year	% Change
1	Customer Accounts Expenses			
2	Operation			
3	901 Supervision	63,644	111,426	75.08%
4	902 Meter Reading Expenses	560,549	625,862	11.65%
5	903 Customer Records & Collection Expenses	1,382,780	1,613,109	16.66%
6	904 Uncollectible Accounts Expenses	501,775	110,512	-77.98%
7	905 Miscellaneous Customer Accounts Expenses	326,871	513,786	57.18%
8				
9	TOTAL Customer Accounts Expenses	2,835,619	2,974,695	4.90%
10				
11	Customer Service & Information Expenses			
12	Operation			
13	907 Supervision	48,661	49,821	2.38%
14	908 Customer Assistance Expenses	756,295	839,145	10.95%
15	909 Informational & Instructional Adv. Expenses	6,862	1,554	-77.35%
16	910 Miscellaneous Customer Service & Info. Exp.	21,335	25,453	19.30%
17				
18	TOTAL Customer Service & Info Expenses	833,153	915,973	9.94%
19				
20	Sales Expenses			
21	Operation			
22	911 Supervision			
23	912 Demonstrating & Selling Expenses			
24	913 Advertising Expenses			
25	916 Miscellaneous Sales Expenses			
26				
27	TOTAL Sales Expenses			
28				
29	Administrative & General Expenses			
30	Operation			
31	920 Administrative & General Salaries	2,768,433	2,524,061	-8.83%
32	921 Office Supplies & Expenses	672,696	422,460	-37.20%
33	922 (Less) Administrative Expenses Transferred - Cr.			
34	923 Outside Services Employed	515,787	345,133	-33.09%
35	924 Property Insurance	238,615	232,810	-2.43%
36	925 Injuries & Damages	614,366	510,576	-16.89%
37	926 Employee Pensions & Benefits	1,040,964	7,933	-99.24%
38	927 Franchise Requirements			
39	928 Regulatory Commission Expenses	301,456	166,738	-44.69%
40	929 (Less) Duplicate Charges - Cr.			
41	930.1 General Advertising Expenses	131,841	150,517	14.17%
42	930.2 Miscellaneous General Expenses	1,225,432	1,310,086	6.91%
43	931 Rents	17,915	18,555	3.57%
44				
45	TOTAL Operation - Admin. & General	7,527,505	5,688,869	-24.43%
46	Maintenance			
47	935 Maintenance of General Plant	165,822	179,986	8.54%
48				
49	TOTAL Administrative & General Expenses	7,693,327	5,868,855	-23.71%
50				
51	TOTAL Operation & Maintenance Expenses	11,362,099	9,759,523	-14.10%

MONTANA OPERATION & MAINTENANCE EXPENSES*

Year: 1998

Account Number & Title		Last Year	This Year	% Change
1				
2	* Total Black Hills Power and Light Operation and			
3	Maintenance Expenses are represented on			
4	Schedule 10.			
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MONTANA TAXES OTHER THAN INCOME

Year: 1998

	Description of Tax	Last Year	This Year	% Change
1	Payroll Taxes			
2	Superfund			
3	Secretary of State			
4	Montana Consumer Counsel			
5	Montana PSC	(925)	2,160	333.51%
6	Franchise Taxes			
7	Property Taxes	91,064	65,040	-28.58%
8	Tribal Taxes			
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51	TOTAL MT Taxes Other Than Income	90,139	67,200	-25.45%

PAYMENTS FOR SERVICES TO PERSONS OTHER THAN EMPLOYEES

Year: 1998

	Name of Recipient	Nature of Service	Total Company	Montana	% Montana
1					
2	AMOUNTS TO MONTANA OPERATIONS ARE NOT SIGNIFICANT				
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50	TOTAL Payments for Services				

POLITICAL ACTION COMMITTEES / POLITICAL CONTRIBUTIONS Year: 1998

	Description	Total Company	Montana	% Montana
1	NONE			
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50	TOTAL Contributions			

Pension Costs

Year: 1998

1	Plan Name Pension Plan of Black Hills Corp.			
2	Defined Benefit Plan? _____ YES	Defined Contribution Plan? _____ NO		
3	Actuarial Cost Method? Project Unit Cost Method	IRS Code: _____ 401(B)		
4	Annual Contribution by Employer: _\$0_____	Is the Plan Over Funded? __YES_____		
5				
	Item	Current Year	Last Year	% Change
6	Change in Benefit Obligation			
7	Benefit obligation at beginning of year	28,365,668	28,170,257	-0.69%
8	Service cost	711,755	747,324	5.00%
9	Interest Cost	2,063,679	2,048,655	-0.73%
10	Plan participants' contributions			
11	Amendments			
12	Actuarial Gain	4,173,337	-990,682	-123.74%
13	Acquisition			
14	Benefits paid	-1,611,377	-1,609,886	0.09%
15	Benefit obligation at end of year	33,703,062	28,365,668	-15.84%
16	Change in Plan Assets			
17	Fair value of plan assets at beginning of year	35,225,441	27,876,281	-20.86%
18	Actual return on plan assets	1,747,453	8,959,046	412.69%
19	Acquisition			
20	Employer contribution			
21	Plan participants' contributions			
22	Benefits paid	-1,611,377	-1,609,886	0.09%
23	Fair value of plan assets at end of year	35,361,517	35,225,441	-0.38%
24	Funded Status	1,658,455	6,859,773	313.62%
25	Unrecognized net actuarial loss	-317,940	-6,589,144	-1972.45%
26	Unrecognized prior service cost	332,485	348,112	4.70%
27	Prepaid (accrued) benefit cost	1,673,000	618,741	-63.02%
28				
29	Weighted-average Assumptions as of Year End			
30	Discount rate	7.50%	7.50%	
31	Expected return on plan assets	10.50%	10.50%	
32	Rate of compensation increase	5.00%	5.00%	
33				
34	Components of Net Periodic Benefit Costs			
35	Service cost	711,755	747,324	5.00%
36	Interest cost	2,063,679	2,048,655	-0.73%
37	Expected return on plan assets	-3,609,427	-2,837,249	21.39%
38	Amortization of prior service cost	78,140	78,140	
39	Recognized net actuarial loss	-298,406	-62,513	79.05%
40	Net periodic benefit cost	-1,054,259	-25,643	97.57%
41				
42	Montana Intrastate Costs:			
43	Pension Costs			
44	Pension Costs Capitalized			
45	Accumulated Pension Asset (Liability) at Year End			
46	Number of Company Employees:			
47	Covered by the Plan	511	514	0.59%
48	Not Covered by the Plan	12	14	16.67%
49	Active	275	281	2.18%
50	Retired	148	148	
51	Deferred Vested Terminated	88	85	-3.41%

Other Post Employment Benefits (OPEBS)

Year: 1998

	Item	Current Year	Last Year	% Change
1	Regulatory Treatment:			
2	Commission authorized - most recent			
3	Docket number: _____			
4	Order number: _____			
5	Amount recovered through rates			
6	Weighted-average Assumptions as of Year End			
7	Discount rate	6.75	7.5	11.11%
8	Expected return on plan assets			
9	Medical Cost Inflation Rate	9	9.5	5.56%
10	Actuarial Cost Method	Projected Unit Cost	Projected Unit Cost	Method
11	Rate of compensation increase	5	5	
12	List each method used to fund OPEBs (ie: VEBA, 401(h)) and if tax advantaged:			
13				
14				
15	Describe any Changes to the Benefit Plan:			
16				
17	TOTAL COMPANY			
18	Change in Benefit Obligation			
19	Benefit obligation at beginning of year	2,141,236	1,721,179	-19.62%
20	Service cost	106,710	135,562	27.04%
21	Interest Cost	241,965	273,413	13.00%
22	Plan participants' contributions			
23	Amendments			
24	Actuarial Gain	99,505	124,084	24.70%
25	Acquisition			
26	Benefits paid	-188,862	-113,002	40.17%
27	Benefit obligation at end of year	2,400,554	2,141,236	-10.80%
28	Change in Plan Assets			
29	Fair value of plan assets at beginning of year	-113,002		100.00%
30	Actual return on plan assets			
31	Acquisition			
32	Employer contribution			
33	Plan participants' contributions			
34	Benefits paid	-188,862	-113,002	40.17%
35	Fair value of plan assets at end of year	-301,864	-113,002	62.57%
36	Funded Status	-2,702,418	-2,254,238	16.58%
37	Unrecognized net actuarial loss			
38	Unrecognized prior service cost			
39	Prepaid (accrued) benefit cost	-2,702,418	-2,254,238	16.58%
40	Components of Net Periodic Benefit Costs			
41	Service cost	106,710	135,562	27.04%
42	Interest cost	241,965	273,413	13.00%
43	Expected return on plan assets			
44	Amortization of prior service cost			
45	Recognized net actuarial loss	99,505	124,084	24.70%
46	Net periodic benefit cost	448,180	533,059	18.94%
47	Accumulated Post Retirement Benefit Obligation			
48	Amount Funded through VEBA			
49	Amount Funded through 401(h)			
50	Amount Funded through Other _____			
51	TOTAL			
52	Amount that was tax deductible - VEBA			
53	Amount that was tax deductible - 401(h)			
54	Amount that was tax deductible - Other _____			
55	TOTAL			

Other Post Employment Benefits (OPEBS) Continued

Year: 1998

	Item	Current Year	Last Year	% Change
1	Number of Company Employees:			
2	Covered by the Plan	396	512	29.29%
3	Not Covered by the Plan			
4	Active	274	324	18.25%
5	Retired	122	188	54.10%
6	Spouses/Dependants covered by the Plan			
7	Montana			
8	Change in Benefit Obligation			
9	Benefit obligation at beginning of year			
10	Service cost			
11	Interest Cost			
12	Plan participants' contributions			
13	Amendments			
14	Actuarial Gain			
15	Acquisition			
16	Benefits paid			
17	Benefit obligation at end of year			
18	Change in Plan Assets			
19	Fair value of plan assets at beginning of year			
20	Actual return on plan assets			
21	Acquisition			
22	Employer contribution			
23	Plan participants' contributions			
24	Benefits paid			
25	Fair value of plan assets at end of year			
26	Funded Status			
27	Unrecognized net actuarial loss			
28	Unrecognized prior service cost			
29	Prepaid (accrued) benefit cost			
30	Components of Net Periodic Benefit Costs			
31	Service cost			
32	Interest cost			
33	Expected return on plan assets			
34	Amortization of prior service cost			
35	Recognized net actuarial loss			
36	Net periodic benefit cost			
37	Accumulated Post Retirement Benefit Obligation			
38	Amount Funded through VEBA			
39	Amount Funded through 401(h)			
40	Amount Funded through other _____			
41	TOTAL			
42	Amount that was tax deductible - VEBA			
43	Amount that was tax deductible - 401(h)			
44	Amount that was tax deductible - Other			
45	TOTAL			
46	Montana Intrastate Costs:			
47	Pension Costs			
48	Pension Costs Capitalized			
49	Accumulated Pension Asset (Liability) at Year End			
50	Number of Montana Employees:			
51	Covered by the Plan			
52	Not Covered by the Plan			
53	Active			
54	Retired			
55	Spouses/Dependants covered by the Plan			

TOP TEN MONTANA COMPENSATED EMPLOYEES (ASSIGNED OR ALLOCATED)

Line No.	Name/Title	Base Salary	Bonuses	Other	Total Compensation	Total Compensation Last Year	% Increase Total Compensation
1	N/A						
2							
3							
4							
5							
6							
7							
8							
9							
10							

COMPENSATION OF TOP 5 CORPORATE EMPLOYEES - SEC INFORMATION

Line No.	Name/Title	Base Salary	Bonuses	Other	Total Compensation	Total Compensation Last Year	% Increase Total Compensation
1	Daniel P. Landguth Chairman, President, and Chief Executive Officer of the Company and Subsidiaries	237,550	47,683	26,341	311,574	267,074	17%
2	Everett E. Hoyt President and Chief Operating Officer of Black Hills Power and Light Company	158,100	18,135	31,570	207,805	171,030	22%
3	Gary R. Fish Vice President - Corporate Development	123,350	18,154	867	142,371	127,861	11%
4	Thomas M. Ohlmacher Vice President - Power Supply	112,350	12,825	13,607	138,782	120,949	15%
5	James M. Mattern Vice President - Administration of the Company and Subsidiaries	104,350	11,970	13,101	129,421	109,628	18%

BALANCE SHEET

Year: 1998

	Account Number & Title	Last Year	This Year	% Change
1	Assets and Other Debits			
2	Utility Plant			
3	101 Electric Plant in Service	358,857,260	492,953,212	-27%
4	101.1 Property Under Capital Leases			
5	102 Electric Plant Purchased or Sold			
6	104 Electric Plant Leased to Others			
7	105 Electric Plant Held for Future Use			
8	106 Completed Constr. Not Classified - Electric	131,429,623	4,598,264	2758%
9	107 Construction Work in Progress - Electric	2,639,273	4,832,991	-45%
10	108 (Less) Accumulated Depreciation	(161,929,409)	(174,984,272)	7%
11	111 (Less) Accumulated Amortization			
12	114 Electric Plant Acquisition Adjustments	4,870,308	4,870,308	
13	115 (Less) Accum. Amort. Elec. Acq. Adj.	(1,009,363)	(1,160,767)	13%
14	120 Nuclear Fuel (Net)			
15	TOTAL Utility Plant	334,857,692	331,109,736	1%
16				
17	Other Property & Investments			
18	121 Nonutility Property	5,618	5,618	0%
19	122 (Less) Accum. Depr. & Amort. for Nonutil. Prop.	(3,956)	(3,956)	0%
20	123 Investments in Associated Companies			
21	123.1 Investments in Subsidiary Companies	59,705,451	60,789,335	-2%
22	124 Other Investments	2,379,941	3,283,751	-28%
23	125 Sinking Funds			
24	TOTAL Other Property & Investments	62,087,054	64,074,748	-3%
25				
26	Current & Accrued Assets			
27	131 Cash	1,031,028	9,309,953	-89%
28	132-134 Special Deposits			
29	135 Working Funds	3,300	3,300	
30	136 Temporary Cash Investments	12,608,659	10,191,115	24%
31	141 Notes Receivable	197,255	190,479	4%
32	142 Customer Accounts Receivable	11,325,295	11,717,282	-3%
33	143 Other Accounts Receivable	1,404,695	1,025,627	37%
34	144 (Less) Accum. Provision for Uncollectible Accts.	(344,737)	(251,243)	-37%
35	145 Notes Receivable - Associated Companies			
36	146 Accounts Receivable - Associated Companies	809,409	802,210	1%
37	151 Fuel Stock	262,223	561,739	-53%
38	152 Fuel Stock Expenses Undistributed			
39	153 Residuals			
40	154 Plant Materials and Operating Supplies	6,284,665	6,587,490	-5%
41	155 Merchandise			
42	156 Other Material & Supplies	52	392	-87%
43	157 Nuclear Materials Held for Sale			
44	163 Stores Expense Undistributed	61,310	57,186	7%
45	165 Prepayments	938,074	2,334,050	-60%
46	171 Interest & Dividends Receivable	131,858	179,797	-27%
47	172 Rents Receivable			
48	173 Accrued Utility Revenues			
49	174 Miscellaneous Current & Accrued Assets			
50	TOTAL Current & Accrued Assets	34,713,086	42,709,377	-19%

BALANCE SHEET

Year: 1998

	Account Number & Title	Last Year	This Year	% Change
1				
2	Assets and Other Debits (cont.)			
3				
4	Deferred Debits			
5				
6	181 Unamortized Debt Expense	1,842,789	1,709,698	8%
7	182.1 Extraordinary Property Losses			
8	182.2 Unrecovered Plant & Regulatory Study Costs			
9	183 Prelim. Survey & Investigation Charges	464,456	8,044	5674%
10	184 Clearing Accounts	1,273,565	1,049,740	21%
11	185 Temporary Facilities			
12	186 Miscellaneous Deferred Debits	280,443	485,769	-42%
13	187 Deferred Losses from Disposition of Util. Plant			
14	188 Research, Devel. & Demonstration Expend.			
15	189 Unamortized Loss on Reacquired Debt	498,468	415,595	20%
16	190 Accumulated Deferred Income Taxes	9,822,568	9,841,330	0%
17	TOTAL Deferred Debits	14,182,289	13,510,177	5%
18				
19	TOTAL Assets & Other Debits	445,840,121	451,404,037	-1%
	Account Title	Last Year	This Year	% Change
20				
21	Liabilities and Other Credits			
22				
23	Proprietary Capital			
24				
25	201 Common Stock Issued	21,704,592	21,719,465	0%
26	202 Common Stock Subscribed			
27	204 Preferred Stock Issued			
28	205 Preferred Stock Subscribed			
29	207 Premium on Capital Stock	42,497,118	42,755,486	-1%
30	211 Miscellaneous Paid-In Capital			
31	213 (Less) Discount on Capital Stock			
32	214 (Less) Capital Stock Expense	(2,501,882)	(2,501,882)	0%
33	215 Appropriated Retained Earnings			
34	216 Unappropriated Retained Earnings	143,703,041	147,875,186	-3%
35	217 (Less) Reacquired Capital Stock			
36	TOTAL Proprietary Capital	205,402,869	209,848,255	-2%
37				
38	Long Term Debt			
39				
40	221 Bonds	137,335,866	136,005,137	1%
41	222 (Less) Reacquired Bonds			
42	223 Advances from Associated Companies			
43	224 Other Long Term Debt	27,355,000	27,355,000	
44	225 Unamortized Premium on Long Term Debt			
45	226 (Less) Unamort. Discount on L-Term Debt-Dr.			
46	TOTAL Long Term Debt	164,690,866	163,360,137	1%

BALANCE SHEET

Year: 1998

	Account Number & Title	Last Year	This Year	% Change
1				
2	Total Liabilities and Other Credits (cont.)			
3				
4	Other Noncurrent Liabilities			
5				
6	227 Obligations Under Cap. Leases - Noncurrent			
7	228.1 Accumulated Provision for Property Insurance			
8	228.2 Accumulated Provision for Injuries & Damages			
9	228.3 Accumulated Provision for Pensions & Benefits			
10	228.4 Accumulated Misc. Operating Provisions			
11	229 Accumulated Provision for Rate Refunds			
12	TOTAL Other Noncurrent Liabilities			
13				
14	Current & Accrued Liabilities			
15				
16	231 Notes Payable			
17	232 Accounts Payable	3,159,642	3,374,454	-6%
18	233 Notes Payable to Associated Companies			
19	234 Accounts Payable to Associated Companies	32,686	124,412	-74%
20	235 Customer Deposits	355,439	406,229	-13%
21	236 Taxes Accrued	4,393,741	5,467,644	-20%
22	237 Interest Accrued	3,726,848	3,692,062	1%
23	238 Dividends Declared			
24	239 Matured Long Term Debt			
25	240 Matured Interest			
26	241 Tax Collections Payable	392,399	380,136	3%
27	242 Miscellaneous Current & Accrued Liabilities	2,905,228	2,768,260	5%
28	243 Obligations Under Capital Leases - Current			
29	TOTAL Current & Accrued Liabilities	14,965,983	16,213,198	-8%
30				
31	Deferred Credits			
32				
33	252 Customer Advances for Construction	681,884	643,167	6%
34	253 Other Deferred Credits	11,800,688	11,875,310	-1%
35	255 Accumulated Deferred Investment Tax Credits	4,014,008	3,513,717	14%
36	256 Deferred Gains from Disposition Of Util. Plant			
37	257 Unamortized Gain on Reacquired Debt			
38	281-283 Accumulated Deferred Income Taxes	44,283,823	45,950,254	-4%
39	TOTAL Deferred Credits	60,780,403	61,982,447	-2%
40				
41	TOTAL LIABILITIES & OTHER CREDITS	445,840,121	451,404,037	-1%

MONTANA PLANT IN SERVICE (ASSIGNED & ALLOCATED)

Year: 1998

	Account Number & Title	Last Year	This Year	% Change
1				
2	Intangible Plant			
3				
4	301 Organization			
5	302 Franchises & Consents			
6	303 Miscellaneous Intangible Plant			
7				
8	TOTAL Intangible Plant			
9				
10	Production Plant			
11				
12	Steam Production			
13				
14	310 Land & Land Rights			
15	311 Structures & Improvements			
16	312 Boiler Plant Equipment			
17	313 Engines & Engine Driven Generators			
18	314 Turbogenerator Units			
19	315 Accessory Electric Equipment			
20	316 Miscellaneous Power Plant Equipment			
21				
22	TOTAL Steam Production Plant			
23				
24	Nuclear Production			
25				
26	320 Land & Land Rights			
27	321 Structures & Improvements			
28	322 Reactor Plant Equipment			
29	323 Turbogenerator Units			
30	324 Accessory Electric Equipment			
31	325 Miscellaneous Power Plant Equipment			
32				
33	TOTAL Nuclear Production Plant			
34				
35	Hydraulic Production			
36				
37	330 Land & Land Rights			
38	331 Structures & Improvements			
39	332 Reservoirs, Dams & Waterways			
40	333 Water Wheels, Turbines & Generators			
41	334 Accessory Electric Equipment			
42	335 Miscellaneous Power Plant Equipment			
43	336 Roads, Railroads & Bridges			
44				
45	TOTAL Hydraulic Production Plant			

MONTANA PLANT IN SERVICE (ASSIGNED & ALLOCATED)

Year: 1998

	Account Number & Title	Last Year	This Year	% Change
1				
2	Production Plant (cont.)			
3				
4	Other Production			
5				
6	340 Land & Land Rights			
7	341 Structures & Improvements			
8	342 Fuel Holders, Producers & Accessories			
9	343 Prime Movers			
10	344 Generators			
11	345 Accessory Electric Equipment			
12	346 Miscellaneous Power Plant Equipment			
13				
14	TOTAL Other Production Plant			
15				
16	TOTAL Production Plant			
17				
18	Transmission Plant			
19				
20	350 Land & Land Rights	20,312	20,312	0%
21	352 Structures & Improvements			
22	353 Station Equipment			
23	354 Towers & Fixtures			
24	355 Poles & Fixtures	231,348	244,889	-6%
25	356 Overhead Conductors & Devices	256,431	300,275	-15%
26	357 Underground Conduit			
27	358 Underground Conductors & Devices			
28	359 Roads & Trails			
29				
30	TOTAL Transmission Plant	508,091	565,475	-10%
31				
32	Distribution Plant			
33				
34	360 Land & Land Rights	5,992	5,992	0%
35	361 Structures & Improvements	5,970	5,970	0%
36	362 Station Equipment	327,565	327,565	0%
37	363 Storage Battery Equipment			
38	364 Poles, Towers & Fixtures	132,114	121,569	9%
39	365 Overhead Conductors & Devices	171,157	110,502	55%
40	366 Underground Conduit	909	909	0%
41	367 Underground Conductors & Devices	15,834	15,834	0%
42	368 Line Transformers	57,055	37,372	53%
43	369 Services	3,708	3,383	10%
44	370 Meters	6,277	6,277	
45	371 Installations on Customers' Premises			
46	372 Leased Property on Customers' Premises			
47	373 Street Lighting & Signal Systems			
48				
49	TOTAL Distribution Plant	726,581	635,373	14%

MONTANA PLANT IN SERVICE (ASSIGNED & ALLOCATED)

Year: 1998

	Account Number & Title	Last Year	This Year	% Change
1				
2	General Plant			
3				
4	389 Land & Land Rights			
5	390 Structures & Improvements			
6	391 Office Furniture & Equipment			
7	392 Transportation Equipment			
8	393 Stores Equipment			
9	394 Tools, Shop & Garage Equipment			
10	395 Laboratory Equipment			
11	396 Power Operated Equipment			
12	397 Communication Equipment	14,732	14,732	
13	398 Miscellaneous Equipment			
14	399 Other Tangible Property			
15				
16	TOTAL General Plant	14,732	14,732	
17				
18	TOTAL Electric Plant in Service	1,249,404	1,215,580	

MONTANA DEPRECIATION SUMMARY

Year: 1998

	Functional Plant Classification	Plant Cost	Accumulated Depreciation		Current Avg. Rate
			Last Year Bal.	This Year Bal.	
1					
2	Steam Production				
3	Nuclear Production				
4	Hydraulic Production				
5	Other Production				
6	Transmission	565,475	153,986	182,282	2.12%
7	Distribution	635,373	222,321	195,592	2.78%
8	General	14,732	4,342	5,261	7.18%
9	TOTAL	1,215,580	380,649	383,135	0

MONTANA MATERIALS & SUPPLIES (ASSIGNED & ALLOCATED)

SCHEDULE 21

	Account	Last Year Bal.	This Year Bal.	%Change
1				
2	151 Fuel Stock			
3	152 Fuel Stock Expenses Undistributed			
4	153 Residuals			
5	154 Plant Materials & Operating Supplies:			
6	Assigned to Construction (Estimated)			
7	Assigned to Operations & Maintenance			
8	Production Plant (Estimated)			
9	Transmission Plant (Estimated)			
10	Distribution Plant (Estimated)			
11	Assigned to Other			
12	155 Merchandise			
13	156 Other Materials & Supplies			
14	157 Nuclear Materials Held for Sale			
15	163 Stores Expense Undistributed			
16				
17	TOTAL Materials & Supplies	\$0	\$0	

MONTANA REGULATORY CAPITAL STRUCTURE & COSTS

SCHEDULE 22

	Commission Accepted - Most Recent	% Cap. Str.	% Cost Rate	Weighted Cost
1	Docket Number 83.4.25			
2	Order Number 4988			
3				
4	Common Equity	52.83%	15.00%	7.92%
5	Preferred Stock	11.96%	9.03%	1.08%
6	Long Term Debt	35.21%	7.75%	2.73%
7	Other			
8	TOTAL	100.00%		11.73%
9				
10	Actual at Year End			
11				
12	Common Equity	56.23%		
13	Preferred Stock			
14	Long Term Debt	43.77%		
15	Other			
16	TOTAL	100.00%		

STATEMENT OF CASH FLOWS

Year: 1998

	Description	Last Year	This Year	% Change
1				
2	Increase/(decrease) in Cash & Cash Equivalents:			
3				
4	Cash Flows from Operating Activities:			
5	Net Income	32,357,672	25,909,056	25%
6	Depreciation	14,456,529	14,730,143	-2%
7	Amortization	380,227	367,368	4%
8	Deferred Income Taxes - Net	1,815,037	1,611,304	13%
9	Investment Tax Credit Adjustments - Net	(649,848)	(500,291)	-30%
10	Change in Operating Receivables - Net	(659,367)	(140,377)	-370%
11	Change in Materials, Supplies & Inventories - Net	270,970	(598,557)	145%
12	Change in Operating Payables & Accrued Liabilities - Net	(596,997)	1,247,215	-148%
13	Allowance for Funds Used During Construction (AFUDC)	(98,749)	(130,684)	24%
14	Change in Other Assets & Liabilities - Net	2,019,615	(1,304,125)	255%
15	Other Operating Activities (explained on attached page)	(10,252,049)	(1,083,884)	-846%
16	Net Cash Provided by/(Used in) Operating Activities	39,043,040	40,107,168	-3%
17				
18	Cash Inflows/Outflows From Investment Activities:			
19	Construction/Acquisition of Property, Plant and Equipment	(12,483,780)	(11,451,388)	-9%
20	(net of AFUDC & Capital Lease Related Acquisitions)			
21	Acquisition of Other Noncurrent Assets			
22	Proceeds from Disposal of Noncurrent Assets			
23	Investments In and Advances to Affiliates			
24	Contributions and Advances from Affiliates			
25	Disposition of Investments in and Advances to Affiliates			
26	Other Investing Activities (explained on attached page)	(3,766,824)	(6,424,291)	41%
27	Net Cash Provided by/(Used in) Investing Activities	(16,250,604)	(17,875,679)	9%
28				
29	Cash Flows from Financing Activities:			
30	Proceeds from Issuance of:			
31	Long-Term Debt			
32	Preferred Stock			
33	Common Stock	408,760	273,241	50%
34	Other:			
35	Net Increase in Short-Term Debt			
36	Other:			
37	Payment for Retirement of:			
38	Long-Term Debt	(1,534,128)	(1,330,729)	-15%
39	Preferred Stock			
40	Common Stock			
41	Other:			
42	Net Decrease in Short-Term Debt			
43	Dividends on Preferred Stock			
44	Dividends on Common Stock	(20,538,021)	(21,736,911)	6%
45	Other Financing Activities (explained on attached page)			
46	Net Cash Provided by (Used in) Financing Activities	(21,663,389)	(22,794,399)	5%
47				
48	Net Increase/(Decrease) in Cash and Cash Equivalents	1,129,047	(562,910)	301%
49	Cash and Cash Equivalents at Beginning of Year	8,747,116	9,876,163	-11%
50	Cash and Cash Equivalents at End of Year	9,876,163	9,313,253	6%

LONG TERM DEBT

Year: 1998

	Description	Issue Date Mo./Yr.	Maturity Date Mo./Yr.	Principal Amount	Net Proceeds	Outstanding Per Balance Sheet	Yield to Maturity	Annual Net Cost Inc. Prem/Disc.	Total Cost %
1	Series:								
2	Y	Jun-88	Jun-18	6,000,000	5,906,578	5,710,000	9.64%	554,396	9.71%
3	Z	May-91	May-21	35,000,000	34,790,305	35,000,000	9.41%	3,271,978	9.35%
4	AA	Jun-91	Sep-03	13,806,000	13,656,287	5,295,137	9.10%	514,145	9.71%
5	AB	Sep-94	Sep-24	45,000,000	44,243,911	45,000,000	8.44%	3,735,000	8.30%
6	AC	Feb-95	Feb-10	30,000,000	29,766,300	30,000,000	8.12%	2,418,000	8.06%
7	AD	Jul-95	Jul-02	15,000,000	14,850,666	15,000,000	6.57%	975,000	6.50%
8									
9	1992 Pollution Cont. Rev. Bonds								
10	Lawrence County SD	Jun-92	Jun-10	5,850,000	5,753,590	5,850,000	6.81%	391,874	6.70%
11	Pennington County SD	Jun-92	Jun-10	2,050,000	1,969,993	2,050,000	6.97%	137,694	6.72%
12	Campbell County WY	Jun-92	Jun-10	1,550,000	1,473,355	1,550,000	7.05%	103,693	6.69%
13	Weston County WY	Jun-92	Jun-10	2,850,000	2,770,414	2,850,000	6.89%	190,887	6.70%
14									
15	1994A Environ Improv. Bonds	Jun-94	Jun-24	3,000,000	2,930,057	2,855,000	4.35%	105,291	3.69%
16	1994 A Construction Fund								
17	1994 Gillette Refund Bonds	Jul-94	Jul-24	12,200,000	11,888,427	12,200,000	7.70%	915,000	7.50%
18									
19									
20									
21									
22									
23									
24									
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26									
27									
28									
29									
30									
31									
32	TOTAL			172,306,000	169,999,883	163,360,137		13,312,958	8.15%

Company Name: Black Hills Corporation

SCHEDULE 25

PREFERRED STOCK

Year: 1998

	Series	Issue Date Mo./Yr.	Shares Issued	Par Value	Call Price	Net Proceeds	Cost of Money	Principal Outstanding	Annual Cost	Embed. Cost %
1	N/A									
2										
3										
4										
5										
6										
7										
8										
9										
10										
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29										
30										
31										
32	TOTAL									

Company Name: Black Hills Corporation

Year: 1998

COMMON STOCK

		Avg. Number of Shares Outstanding	Book Value Per Share	Earnings Per Share	Dividends Per Share	Retention Ratio	Market Price High	Market Price Low	Price/ Earnings Ratio
1									
2									
3									
4	January	21,706,527	9.62						
5									
6	February	21,710,720	9.72						
7									
8	March	21,711,867	9.61	0.39	0.25		25.56	21.00	
9									
10	April	21,711,598	9.73						
11									
12	May	21,619,922	9.69						
13									
14	June	21,714,406	9.56	0.35	0.25		24.25	20.69	
15									
16	July	21,553,506	9.79						
17									
18	August	21,577,783	9.91						
19									
20	September	21,572,940	9.82	0.45	0.25		26.88	22.31	
21									
22	October	21,570,990	9.93						
23									
24	November	21,572,996	10.06						
25									
26	December	21,578,048	9.58	0.01	0.25		27.94	20.69	
27									
28									
29									
30									
31									
32	TOTAL Year End			1.204	1.00	16.94%	26.38		21.9

MONTANA EARNED RATE OF RETURN

Year: 1998

	Description	Last Year	This Year	% Change
	Rate Base			
1				
2	101 Plant in Service			
3	108 (Less) Accumulated Depreciation			
4	NET Plant in Service			
5				
6	Additions			
7	154, 156 Materials & Supplies			
8	165 Prepayments			
9	Other Additions			
10	TOTAL Additions			
11				
12	Deductions			
13	190 Accumulated Deferred Income Taxes			
14	252 Customer Advances for Construction			
15	255 Accumulated Def. Investment Tax Credits			
16	Other Deductions			
17	TOTAL Deductions			
18	TOTAL Rate Base			
19				
20	Net Earnings			
21				
22	Rate of Return on Average Rate Base			
23				
24	Rate of Return on Average Equity			
25				
26	Major Normalizing Adjustments & Commission			
27	Ratemaking adjustments to Utility Operations			
28				
29				
30	NOTE: This schedule is not completed because currently,			
31	Montana revenues represent less than 1% of the			
32	Company's revenues.			
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43				
44				
45				
46				
47	Adjusted Rate of Return on Average Rate Base			
48				
49	Adjusted Rate of Return on Average Equity			

MONTANA COMPOSITE STATISTICS

Year: 1998

	Description	Amount
1		
2	Plant (Intrastate Only) (000 Omitted)	
3		
4	101 Plant in Service	1,215
5	107 Construction Work in Progress	
6	114 Plant Acquisition Adjustments	
7	105 Plant Held for Future Use	
8	154, 156 Materials & Supplies	
9	(Less):	
10	108, 111 Depreciation & Amortization Reserves	(383)
11	252 Contributions in Aid of Construction	
12		
13	NET BOOK COSTS	832
14		
15	Revenues & Expenses (000 Omitted)	
16		
17	400 Operating Revenues	703
18		
19	403 - 407 Depreciation & Amortization Expenses*	*
20	Federal & State Income Taxes	*
21	Other Taxes	*
22	Other Operating Expenses	*
23	TOTAL Operating Expenses	*
24	Net Operating Income	*
25	415-421.1 Other Income	*
26	421.2-426.5 Other Deductions	*
27	*The company does not maintain a breakdown of	*
28	expenses at an individual state level.	*
29		*
30	NET INCOME	*
31		
32	Customers (Intrastate Only)	
33		
34	Year End Average:	
35	Residential	13
36	Commercial	27
37	Industrial	2
38	Other	
39		
40	TOTAL NUMBER OF CUSTOMERS	42
41		
42	Other Statistics (Intrastate Only)	
43		
44	Average Annual Residential Use (Kwh)	7,836
45	Average Annual Residential Cost per (Kwh) (Cents) *	7.23
46	* Avg annual cost = [(cost per Kwh x annual use) + (mo. svc chrg x 12)]/annual use	
47	Average Residential Monthly Bill	47.24
48	Gross Plant per Customer	28,942

Company Name: Black Hills Corporation

MONTANA CUSTOMER INFORMATION

Year: 1998

	City/Town	Population (Include Rural)	Residential Customers	Commercial Customers	Industrial & Other Customers	Total Customers
1	Carter and Powder River Counties		13	27	2	42
2						
3						
4						
5						
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31						
32	TOTAL Montana Customers		13	27	2	42

MONTANA EMPLOYEE COUNTS

Year: 1998

	Department	Year Beginning	Year End	Average
1	N/A			
2				
3				
4				
5				
6				
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47				
48				
49				
50	TOTAL Montana Employees			

ANA CONSTRUCTION BUDGET (ASSIGNED & ALLOCATED)

Year:

	Project Description	Total Company	Total Montana
1			
2	MONTANA CONSTRUCTION BUDGETS ARE NOT SIGNIFICANT		
3			
4			
5			
6			
7			
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49			
50	TOTAL		

TOTAL SYSTEM & MONTANA PEAK AND ENERGY

Year: 1998

System

		Peak Day of Month	Peak Hour	Peak Day Volumes Megawatts	Total Monthly Volumes Energy (Mwh)	Non-Requirements Sales For Resale (Mwh)
1	Jan.	12	900	325	202,103	22,170
2	Feb.	2	1800	287	179,292	26,900
3	Mar.	11	800	310	198,110	26,760
4	Apr.	20	900	261	179,639	27,995
5	May	27	1300	266	182,443	26,200
6	Jun.	25	1400	291	187,710	32,385
7	Jul.	20	1500	348	210,910	30,380
8	Aug.	18	1500	332	221,166	35,405
9	Sep.	10	1500	332	198,062	32,790
10	Oct.	28	1800	273	199,605	38,025
11	Nov.	4	1800	299	205,228	38,073
12	Dec.	21	2000	344	206,298	34,021
13	TOTAL				2,370,566	371,104

Montana

		Peak Day of Month	Peak Hour	Peak Day Volumes Megawatts	Total Monthly Volumes Energy (Mwh)	Non-Requirements Sales For Resale (Mwh)
14	Jan.					
15	Feb.					
16	Mar.					
17	Apr.					
18	May	*Peak information maintained on total system basis only.				
19	Jun.					
20	Jul.					
21	Aug.					
22	Sep.					
23	Oct.					
24	Nov.					
25	Dec.					
26	TOTAL					

TOTAL SYSTEM Sources & Disposition of Energy

SCHEDULE 33

	Sources	Megawatthours	Disposition	Megawatthours
1	Generation (Net of Station Use)			
2	Steam	1,837,164	Sales to Ultimate Consumers (Include Interdepartmental)	1,505,443
3	Nuclear			
4	Hydro - Conventional		Requirements Sales for Resale	417,889
5	Hydro - Pumped Storage			
6	Other	33,083	Non-Requirements Sales for Resale	371,104
7	(Less) Energy for Pumping			
8	NET Generation	1,870,247		
9	Purchases	502,510		
10	Power Exchanges			
11	Received	36,960	Energy Furnished Without Charge	
12	Delivered	-27,150		
13	NET Exchanges	9,810		
14	Transmission Wheeling for Others		Energy Used Within Electric Utility	6,944
15	Received	1,474,997		
16	Delivered	-1,486,998	Total Energy Losses	69,186
17	NET Transmission Wheeling	-12,001		
18	Transmission by Others Losses			
19	TOTAL	2,370,566	TOTAL	2,370,566

SOURCES OF ELECTRIC SUPPLY

Year: 1998

	Type	Plant Name	Location	Annual Peak (MW)	Annual Energy (Mwh)
1	Thermal	Ben French	Rapid City, SD	98	31,829
2					
3	Thermal	Ben French	Rapid City, SD	10	1,254
4					
5	Thermal	Ben French	Rapid City, SD	24	179,000
6					
7	Thermal	Osage	Osage, WY	35	251,438
8					
9	Thermal	Wyodak	Gillette, WY	112	571,305
10					
11	Thermal	Neil Simpson Compl	Gillette, WY	69	835,421
12					
13	Purchases	See Schedule 34			502,510
14					
15	Wheeling	See Schedule 34			-12,001
16					
17	Total Interchange				9,810
18					
19					
20					
21					
22					
23					
24					
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26					
27					
28					
29					
30					
31					
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46					
47					
48					
49	Total			348	2,370,566

MONTANA CONSERVATION & DEMAND SIDE MANAGEMENT PROGRAMS

Year: 1998

	Program Description	Current Year Expenditures	Last Year Expenditures	% Change	Planned Savings (MW & MWH)	Achieved Savings (MW & MWH)	Difference (MW & MWH)
1	MONTANA OPERATIONS ARE NOT SIGNIFICANT						
2							
3							
4							
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6							
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8							
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30							
31							
32	TOTAL						

MONTANA CONSUMPTION AND REVENUES

Year: 1998

	Sales of Electricity	Operating Revenues		MegaWatt Hours Sold		Avg. No. of Customers	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1	Residential	\$7,369	\$8,973	102	117	13	15
2	Commercial - Small	50,390	65,649	565	750	27	28
3	Commercial - Large	647,379	522,022	13,043	9,394	2	2
4	Industrial - Small						
5	Industrial - Large						
6	Interruptible Industrial						
7	Public Street & Highway Lighting						
8	Other Sales to Public Authorities						
9	Sales to Cooperatives						
10	Sales to Other Utilities						
11	Interdepartmental						
12							
13	TOTAL	\$705,138	\$596,644	13,710	10,261	42	45