

BLACK HILLS CORPORATION

RAPID CITY, SOUTH DAKOTA 57709

MARK T. THIES CONTROLLER

TELEPHONE (605) 348-1700

April 30, 1999

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

Cheek # 233880

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

Black Hills Corporation Legal Name of Respondent: 1.

2. Name Under Which Respondent Does Business: **Black Hills Corporation**

February 23, 1968 Date Utility Service First Offered in Montana 3.

Post Office Box 1400 Address to send Correspondence Concerning Report: 4.

625 Ninth Street

Rapid City, SD 57709

Person Responsible for This Report: Mark T. Thies, Controller 5.

(605) 348-1700 Telephone Number: 5a.

Control Over Respondent

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		Remuneration	
		and Address (City, State)			
		(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 Director	5			
15					
16					
17					
18					
19					
20					

Year: 1998

Officers

			Officers	1 cai. 1770
of Officer (a) (b) (c) (c) Chairman of the Board, President and CEO 3 4 President and Chief Operating Officer of the Utility Vice President - Development Vice President - Power Supply Vice President - David R. Emery Vice President - Vice President - Vice President - Vice President - David R. Emery Vice President - Marketing and Regulatory Affairs Controller Mark T. Thies Mark T. Thies	Line			
of Officer (a) (b) (c) (c) Chairman of the Board, President and CEO 3 4 President and Chief Operating Officer of the Utility Vice President - Development Vice President - Power Supply Vice President - David R. Emery Vice President - Vice President - Vice President - Vice President - David R. Emery Vice President - Marketing and Regulatory Affairs Controller Mark T. Thies Mark T. Thies	No.	Title	Department	
(a) (b) (c) Chairman of the Board, President and CEO President and CEO 7 7 8 10 10 10 10 10 10 10 10 10 10 10 10 10		of Officer	Supervised	Name
Chairman of the Board, President and CEO President and CEO President and Chief Operating Officer of the Utility Vice President - Finance and Secretary/Treasurer Other President - Corporate Administration and Assistant to the CEO Towns and Assistant to the CEO Towns and Assistant to the CEO Vice President - Power Supply Other Presiden		1	•	(c)
President and CEO 7 resident and Chief Operating Officer of the Utility Vice President - Finance and Secretary/Treasurer Vice President - Development Vice President - Corporate Administration and Assistant to the CEO Vice President - Power Supply Vice President - Power Supply Vice President - Corporate Administration And Assistant to the CEO Vice President - Power Supply Vice President - Controller Vice President - Marketing and Regulatory Affairs Controller Mark T. Thies	1			
President and Chief Operating Officer of the Utility Vice President - Finance and Secretary/Treasurer Vice President - Development Vice President - Power Supply Vice President - Fuel Resources Vice President - Fuel Resources Vice Officer of the Warketing and Regulatory Affairs Controller Mark T. Thies				January Laurence
President and Chief Operating Officer of the Utility 7 8 Vice President - Finance and Secretary/Treasurer 10 11 12 13 14 14 14 15 16 17 17 18 18 19 19 10 11 19 10 11 10 11 10 11 11 11 12 12 13 14 14 15 15 16 16 17 17 18 18 18 18 18 18 18 18 18 18 18 18 18		President and CEO		
Operating Officer of the Utility Vice President - Finance and Secretary/Treasurer Vice President - Development Vice President - Corporate Administration and Assistant to the CEO Vice President - Power Supply Vice President - David R. Emery Vice President - David R. Emery Vice President - Marketing and Regulatory Affairs Controller Mark T. Thies				E H E. Llaud
Vice President - Finance and Secretary/Treasurer Vice President -		1		Everett E. Hoyt
Vice President - Finance and Secretary/Treasurer Vice President - Development Vice President - Corporate Administration and Assistant to the CEO Vice President - Power Supply Vice Pr	5	Operating Officer of the		
Vice President - Finance and Secretary/Treasurer 10	6	Utility		
Vice President - Finance and Secretary/Treasurer 10	7			
9 and Secretary/Treasurer 10		Vice President - Finance		Roxann R. Basham
10 Vice President - 12 Development 13 Vice President - 15 Corporate Administration and Assistant to the CEO 17 Vice President - 19 Power Supply 10 Vice President - 10 Power Supply 11 Vice President - 12 Vice President - 13 Vice President - 14 Vice President - 15 Vice President - 16 Vice President - 17 Vice President - 18 Vice President - 19 Vice President - 10 Vice President - 10 Vice President - 11 Vice President - 12 Vice President - 13 Vice President - 14 Vice President - 15 Vice President - 16 Vice President - 17 Vice President - 18 Vice President - 18 Vice President - 19 Vice President - 19 Vice President - 10				
Vice President -				
Development Vice President - Corporate Administration and Assistant to the CEO Vice President - Power Supply Vice President - Power Supply Vice President - Fuel Resources Vice President - Harketing and Regulatory Affairs Controller Mark T. Thies Mark T. Thies		Vice President -		Garv R. Fish
Vice President - Corporate Administration and Assistant to the CEO Vice President - Power Supply Vice President - Power Supply Vice President - Harketing and Regulatory Affairs Controller Mark T. Thies James M. Mattern Thomas M. Ohlmacher David R. Emery Kyle D. White Mark T. Thies Mark T. Thies				,
Vice President - Corporate Administration and Assistant to the CEO Thomas M. Ohlmacher Power Supply Vice President - Fuel Resources Vice President - Vice President - Vice President - Vice President - Marketing and Regulatory Affairs Controller Mark T. Thies Mark T. Thies		Developinent		
Corporate Administration and Assistant to the CEO Vice President - Power Supply Vice President - Pull Resources Vice President - Pull Resources Vice President - Warketing and Regulatory Affairs Controller Mark T. Thies Mark T. Thies				James M. Mattern
16 and Assistant to the CEO 17				James W. Wattern
17				
Note President - Power Supply		and Assistant to the CEO		
Note President - Power Supply	17			
19 Power Supply		Vice President -		Thomas M. Ohlmacher
20				
21				
22 Fuel Resources		Vice President -		David R. Emery
23				Í (
24 Vice President - Marketing and Regulatory Affairs Kyle D. White 27 Marketing and Regulatory Affairs Mark T. Thies 30 Mark T. Thies 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 90		Fuel Resources		
25 Marketing and Regulatory Affairs Controller Mark T. Thies 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49				Kyle D. White
26 Affairs Controller Mark T. Thies Mark T. Thies Mark T. Thies				Nyle D. Wille
27				
28 Controller Mark T. Thies 29 30 31 32 33 34 35 36 37 38 39 40 41 41 42 43 44 45 46 47 48 49 50		Affairs		
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PAGE 2		1		
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CORPORATE STRUCTURE

Corporation Substitute Corporation C		CORPORATE STRUCTURE Year: 1998					
1		Subsidiary/Company Name	Line of Business	Earnings	Percent of Total		
b Black Hills Power and Light Co. Utility EARNINGS EARNINGS SUBSIDIARY Western Production Co. I Oil & Gas Exploration DAKSOFT, INC. Software Marketing WYGEN, INC. Exempt Wholesale Generator Landrica Development Corp. Real Estate Development Black Hills Capital Group, Inc. Corporate Development ENERCO Energy Marketing, Inc. Energy Marketing Black Hills Energy Resources, Inc. Energy Marketing Black Hills Coal Network, Inc. Coal Marketing Black Hills Coal Network, Inc. Coal Marketing Black Hills FiberCom, Inc. Communications Commu	1 2	Wyodak Resources Development	Coal Mining	1,083,884	4.18%		
SUBSIDIARY	5	Black Hills Power and Light Co.	Utility	24,825,172	95.82%		
Western Production Co. (7,975,682) 1	9			EADNINGS			
13	11				4		
DAKSOFT, INC. 93,868 1 1 1 1 1 1 1 1 1				(7,975,682)	1		
WYGEN, INC.	14	DAKSOFT, INC.		93,868	1		
17 Exempt Wholesale Generator 18 Landrica Development Corp. 19 Real Estate Development 20 Black Hills Capital Group, Inc. 21 Corporate Development 22 ENSERCO Energy Marketing, Inc. 23 Energy Marketing 24 Black Hills Energy Resources, Inc. 25 Energy Marketing 26 Varifuel, Inc. 27 Energy Marketing 28 Black Hills Coal Network, Inc. 29 Coal Marketing 30 Black Hills FiberCom, Inc. 31 Communications 32 33 4 (1) Wholly owned subsidiary of Wyodak Resources Development Corp. 35 36 (2) Wholly owned subsidiary of Black Hills Capital Group, Inc. 41 42 43 44 45 46 47 48 49		-		(118,571)	1		
Real Estate Development Black Hills Capital Group, Inc. Corporate Development Black Hills Capital Group, Inc. 121,301	17	Exempt Wholesale Generator		63,628	1		
21 Corporate Development 22 ENSERCO Energy Marketing, Inc. 23 Energy Marketing 24 Black Hills Energy Resources, Inc. 25 Energy Marketing 26 Varifuel, Inc. 27 Energy Marketing 28 Black Hills Coal Network, Inc. 29 Coal Marketing 30 Black Hills FiberCom, Inc. Communications 31 Communications 32 (1) Wholly owned subsidiary of Wyodak Resources Development Corp. 36 (2) Wholly owned subsidiary of Black Hills Capital Group, Inc. 37 38 39 40 41 42 42 43 44 45 46 47 48 49	19	Real Estate Development					
22 ENSERCO Energy Marketing, Inc. Energy Marketing 24 Black Hills Energy Resources, Inc. 25 Energy Marketing 26 Varifuel, Inc. Energy Marketing 27 Energy Marketing 28 Black Hills Coal Network, Inc. 29 Coal Marketing 30 Black Hills FiberCom, Inc. Communications 31 (1) Wholly owned subsidiary of Wyodak Resources Development Corp. 33 (2) Wholly owned subsidiary of Black Hills Capital Group, Inc. 36 (2) Wholly owned subsidiary of Black Hills Capital Group, Inc. 37 (2) Wholly owned Subsidiary of Black Hills Capital Group, Inc. 40 (41 (42 (43 (44 (45 (44 (45 (45 (45 (45 (45 (45 (45		· · · · · · · · · · · · · · · · · · ·		121,301	' '		
Black Hills Energy Resources, Inc. Energy Marketing Varifuel, Inc. Energy Marketing Black Hills Coal Network, Inc. Coal Marketing Black Hills FiberCom, Inc. Communications (145,699) 67,323 (440,820) (1) Wholly owned subsidiary of Wyodak Resources Development Corp. (2) Wholly owned subsidiary of Black Hills Capital Group, Inc. (2) Wholly owned subsidiary of Black Hills Capital Group, Inc. 100.004 11 12 13 14 15 16 17 18 19 100.005	22	ENSERCO Energy Marketing, Inc.		783,721	2		
Energy Marketing Varifuel, Inc. Energy Marketing Black Hills Coal Network, Inc. Coal Marketing Slack Hills FiberCom, Inc. Communications (1) Wholly owned subsidiary of Wyodak Resources Development Corp. (2) Wholly owned subsidiary of Black Hills Capital Group, Inc. (2) Wholly owned subsidiary of Black Hills Capital Group, Inc. 100.004 100.005	23 24	Black Hills Energy Resources, Inc.		(1,051,223)	2		
27 Energy Marketing 28 Black Hills Coal Network, Inc. 29 Coal Marketing 30 Black Hills FiberCom, Inc. 31 Communications 32 (1) Wholly owned subsidiary of Wyodak Resources Development Corp. 35 (2) Wholly owned subsidiary of Black Hills Capital Group, Inc. 37 (38 39 40 41 42 43 44 45 46 47 48 49 49	25	Energy Marketing		(145,699)	2		
Coal Marketing 30 Black Hills FiberCom, Inc. Communications 31 32 33 34 (1) Wholly owned subsidiary of Wyodak Resources Development Corp. 35 36 (2) Wholly owned subsidiary of Black Hills Capital Group, Inc. 37 38 39 40 41 42 43 44 45 46 47 48 49	27	Energy Marketing		·	2		
30 Black Hills FiberCom, Inc. Communications 31 32 33 34 (1) Wholly owned subsidiary of Wyodak Resources Development Corp. (2) Wholly owned subsidiary of Black Hills Capital Group, Inc. 37 38 39 40 41 42 43 44 45 46 47 48 49				67,323			
32 33 34 (1) Wholly owned subsidiary of Wyodak Resources Development Corp. 35 36 (2) Wholly owned subsidiary of Black Hills Capital Group, Inc. 37 38 39 40 41 42 43 44 45 46 47 48 49	30	Black Hills FiberCom, Inc.		(440,820)	2		
(1) Wholly owned subsidiary of Wyodak Resources Development Corp. (2) Wholly owned subsidiary of Black Hills Capital Group, Inc. (37) 38) 39) 40 41 42 43 44 45 46 47 48 49	1	l .					
35 36 (2) Wholly owned subsidiary of Black Hills Capital Group, Inc. 37 38 39 40 41 42 43 44 45 46 47 48 49			 ak Resources Developmer	 nt Corp.			
37 38 39 40 41 42 43 44 45 46 47 48 49	35						
38 39 40 41 42 43 44 45 46 47 48 49			Hills Capital Group, Inc.				
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43 44 45 46 47 48 49	1	l e e e e e e e e e e e e e e e e e e e			100.00%		
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46 47 48 49		1					
48 49	4	5					
		1					
SOITOTAL		O TOTAL	1	25,909,056			

SCHEDULE 5

Year: 1998	\$ to Other		
	% LW		
	\$ to MT Utility		
ORATE ALLOCATIONS	Allocation Method		
CORPOR	Classification		
	Items Allocated	10 NOT SIGNIFICANT TO MONTANA OPERATIONS 13 11 12 14 15 16 16 16 16 16 16 16 16 16 16 16 16 16	33 34 TOTAL
		- 7 c 4 c 9 c 8 c 0 1 1 1 2 1 2 1 2 1 2 1 2 1 2 1 2 1 2 1	34

AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED TO UTILITY

	AFFILIATE TR	ANSACTIONS - PRODU	CTS & SERVICES PROVID	ED TO UTIL	ITY	Year: 1998
Line						
No.	(a)	(b)	(c)	(d) Charges	(e) % Total	(f) Charges to
	Affiliate Name	Products & Services	Method to Determine Price	to Utility	Affil. Revs.	MT Utility
	Wyodak Resources Development Corp.	Coal Sales to Utility	Fair Market Value (Based on similar Arms- length transactions)	10,256,074	32.65%	61,285
5 6 7 8 9	Daksoft, Inc. * *Previously included in the Utility O & M expense	Software Development and Computer Support	Fair Market Value (Based on similar Arms- length transactions)	1,291,217	52.98%	7,703
18 19 20 21 22						
23 24 25 26 27 28						
29 30 31	TOTAL			11,547,291		68,988

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			ł i
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			1
23	456	Other Electric Revenues			1
24					
25		TOTAL Other Operating Revenues	90,046	(2,423)	
26		Total Electric Operating Revenues	686,690	702,715	2.33%

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MONTANA OPERATION & MAINTENANCE EXPENSES*

MO	NTANA	OPERATION & MAINTENANCE EXP	PENSES* Year: 1998		
		Account Number & Title	Last Year	This Year	% Change
1	P	ower Production Expenses			
2					
		ver Generation	}		
4	Operation	Operation Companision & Engineering	672.746	1 002 006	51.86%
5	500 501	Operation Supervision & Engineering Fuel	673,716 13,990,910	1,023,096 13,132,098	-6.14%
6 7	501	Steam Expenses	2,291,654	2,519,097	9.92%
8	502	Steam from Other Sources	2,291,034	2,319,097	3.32 /0
9		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	Ţ	OTAL Operation - Steam	18,606,751	18,076,066	-2.85%
15 16	M aintenan	CA			
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	T	OTAL Maintenance - Steam	4,051,493	3,773,512	-6.86%
24		TOTAL OLD Brown Brown Francisco	22,658,244	21,849,578	-3.57%
25		OTAL Steam Power Production Expenses	22,050,244	21,049,370	-3.37 /8
26	Nuclear D	ower Generation			
	Operation	ower Generation		i '	
29		Operation Supervision & Engineering			
30	1	Nuclear Fuel Expense			
31	519	Coolants & Water			
32	520	Steam Expenses			
33		Steam from Other Sources			
34	522 (Less) Steam Transferred - Cr.			
35		Electric Expenses			
36		Miscellaneous Nuclear Power Expenses			
37	1	Rents			
38	I .	TOTAL Operation Nuclear			
39		TOTAL Operation - Nuclear			
1	Maintenar	nce			
42	1	Maintenance Supervision & Engineering			
43		Maintenance of Structures			
44	1	Maintenance of Reactor Plant Equipment			
45	1	Maintenance of Electric Plant			
46	1	Maintenance of Miscellaneous Nuclear Plant			
47					
48		TOTAL Maintenance - Nuclear			
49					
50		TOTAL Nuclear Power Production Expenses			<u> </u>

Page 2 of 5

MONTANA OPERATION & MAINTENANCE EXPENSES*

MO	NTANA	OPERATION & MAINTENANCE EXP	PENSES*		rage 2 01 3 ear: 1998	
	11111111	Account Number & Title	Last Year	This Year	% Change	
1	Р	ower Production Expenses -continued				
2		Power Generation				
ı	Operation				į	
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	340	rents				
11	т	OTAL Operation - Hydraulic				
12		OTAL Operation - Frydraulic				
	Maintenan	ce				
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	343	Manifestatice of Miscellaneous Hydro Flant				
20	_	OTAL Maintenance - Hydraulic				
21	I	OTAL Maintenance - Trydrauno				
22	т	OTAL Hydraulic Power Production Expenses				
23		OTAL Hydraulie I offer I reduction Expenses				
	Other Pow	er Generation				
	Operation	or deficiation				
26		Operation Supervision & Engineering	1,430	2,119	48.18%	
27	1	Fuel	443,622	1,415,339	219.04%	
28	1	Generation Expenses	166,844	182,699	9.50%	
29	1	Miscellaneous Other Power Gen. Expenses	277	2,479	794.95%	
30		Rents		2, 1, 0		
31	1	Keiks				
32	•	OTAL Operation - Other	612,173	1,602,636	161.79%	
33		OTAL Operation - Other	012,110	1,002,000		
	 Maintenan	00		1		
35		Maintenance Supervision & Engineering	12,939	10,966	-15.25%	
36	1	Maintenance of Structures	18,820	10,565	-43.86%	
37	1	Maintenance of Generating & Electric Plant	96,558	117,154	21.33%	
38		Maintenance of Misc. Other Power Gen. Plant	9,788	13,871	41.71%	
	1	Maintenance of Misc. Other Fower Gen. Flant	3,700	10,071	41.7170	
39 40	1	OTAL Maintenance - Other	138,105	152,556	10.46%	
41		OTAL Maintenance - Other	130,103	132,330	10.4070	
42		OTAL Other Power Production Expenses	750,278	1,755,192	133.94%	
42		OTAL Other I Ower I rounction Expenses	700,270	1,700,102	. 33.5 176	
•	f	ver Supply Expenses				
44	I .	Purchased Power	21,571,091	18,970,779	-12.05%	
45	1	System Control & Load Dispatching	21,371,091	10,570,775	12.0070	
		Other Expenses				
47	i	Other Expenses	}			
48	1	TOTAL Other Dower Supply Expenses	21 571 001	18,970,779	-12.05%	
49		TOTAL Other Power Supply Expenses	21,571,091	10,010,119	-12.05%	
50		TOTAL Downs Production Evanges	44,979,613	42,575,549	-5.34%	
51		TOTAL Power Production Expenses	44,9/9,013	42,373,349	-5.54%	

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MONTANA OPERATION & MAINTENANCE EXPENSES*

MO	NTANA	OPERATION & MAINTENANCE EXP	ENSES*	V	ear: 1998
1110	2 1 2 2 2 1 1 1 2 2	Account Number & Title	Last Year	This Year	% Change
1	Ť	ransmission 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	33,33.	3.,5.5	00,100,10
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	102,044	142,000	0.1170
11	307	IZEIIIS			
12	т	OTAL Operation - Transmission	1,901,527	2,828,641	48.76%
	Maintenan		1,301,321	2,020,041	40.7070
14	568	Maintenance Supervision & Engineering	35,412	38,075	7.52%
15	569	Maintenance of Structures	33,412	30,073	7.5270
			131,881	97,650	-25.96%
16	570	Maintenance of Station Equipment	, , , , , , , , , , , , , , , , , , ,	130,999	-4.55%
17	571 570	Maintenance of Overhead Lines	137,239	130,999	-4.55%
18	572	Maintenance of Underground Lines	594	1 577	165.49%
19	573	Maintenance of Misc. Transmission Plant	594	1,577	105.4976
20	_	COTAL Maintainean Transmission	205 126	260 201	12.07%
21		OTAL Maintenance - Transmission	305,126	268,301	-12.07%
22		OTAL Tarability Francisco	2 206 652	2 006 042	40.250/
23		OTAL Transmission Expenses	2,206,653	3,096,942	40.35%
24	_	N. I. W P			
25		Distribution Expenses		ì	
	Operation		047.040	220 406	6.06%
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] 7	FOTAL Operation - Distribution	2,086,604	1,846,350	-11.51%
39	Maintenar	nce			
40	590	Maintenance Supervision & Engineering	21,481	27,988	30.29%
41		Maintenance of Structures			
42	592	Maintenance of Station Equipment	93,093	53,859	-42.14%
43	1	Maintenance of Overhead Lines	779,602	809,991	3.90%
44	1	Maintenance of Underground Lines	154,018	90,013	-41.56%
45	1	Maintenance of Line Transformers	54,092	27,317	-49.50%
46	1	Maintenance of Street Lighting, Signal Systems	97,619	99,096	1.51%
47	1	Maintenance of Meters	52,996	40,107	-24.32%
48	I .	Maintenance of Miscellaneous Dist. Plant	28,531	22,093	-22.56%
49	1	Manitonanoo of Micoonanoodo Diot. I mit		,	
50	3	FOTAL Maintenance - Distribution	1,281,432	1,170,464	-8.66%
51		10 17 to Manifestation - Distribution	1,201,702	1,170,707	3.55 /6
52		TOTAL Distribution Expenses	3,368,036	3,016,814	-10.43%
52	·L	IOTAL DISHINGHOLI EXPENSES	3,300,030	3,010,014	-10.43/0

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MONTANA OPERATION & MAINTENANCE EXPENSES*

MO	ONTANA OPERATION & MAINTENANCE EXPENSES*			Year: 1998	
	Account Number & Title Last Ye			This Year	% Change
1	Custor	ner Accounts Expenses			<u></u>
2	Operation	'			
3	•	pervision	63,644	111,426	75.08%
4		er Reading Expenses	560,549	625,862	11.65%
5		stomer Records & Collection Expenses	1,382,780	1,613,109	16.66%
6		collectible Accounts Expenses	501,775	110,512	-77.98%
7		cellaneous Customer Accounts Expenses	326,871	513,786	57.18%
8	900 19113	cellaneous Oustomer Accounts Expenses	320,071	313,700	37.1078
9	TOTAL	Customer Accounts Expenses	2,835,619	2,974,695	4.90%
10	TOTAL	Customer Accounts Expenses	2,000,010	2,074,000	4.0070
11	Custon	ner Service & Information Expenses			
1 1	Operation	Tier Gervice & Information Expenses			
13	•	pervision	48,661	49,821	2.38%
14	•		756,295	839,145	10.95%
		stomer Assistance Expenses	6,862		-77.35%
15		ormational & Instructional Adv. Expenses		1,554	
16	910 Mis	cellaneous Customer Service & Info. Exp.	21,335	25,453	19.30%
17	TOT 4.1	Outland Outland Outland	000 450	045 070	0.04%
18	TOTAL	Customer Service & Info Expenses	833,153	915,973	9.94%
19	0-1	_			
20		Expenses			
	Operation				
22	•	pervision			
23		monstrating & Selling Expenses			
24		vertising Expenses		l	
25	916 Mis	cellaneous Sales Expenses			
26					
27	TOTA	_ Sales Expenses			
28					
29		istrative & General Expenses			
30	Operation				
31	920 Adı	ministrative & General Salaries	2,768,433	2,524,061	-8.83%
32	921 Off	ice Supplies & Expenses	672,696	422,460	-37.20%
33	922 (Less)	Administrative Expenses Transferred - Cr.			
34	923 Ou	tside Services Employed	515,787	345,133	-33.09%
35	924 Pro	perty Insurance	238,615	232,810	-2.43%
36	925 Inju	uries & Damages	614,366	510,576	-16.89%
37	•	ployee Pensions & Benefits	1,040,964	7,933	-99.24%
38		inchise Requirements			
39		gulatory Commission Expenses	301,456	166,738	-44.69%
40		Duplicate Charges - Cr.		· ·	
41	, ,	neral Advertising Expenses	131,841	150,517	14.17%
42		scellaneous General Expenses	1,225,432	1,310,086	6.91%
43		nts	17,915	18,555	3.57%
44	55, 110		,,,,,,,,	, 5,555	0.0.70
45	TOTA	L Operation - Admin. & General	7,527,505	5,688,869	-24.43%
	Maintenance	L Operation - Authin. & Ocheral	1,021,000	5,000,009	<u>~</u> 7.70 /0
1		intenance of General Plant	165 000	170 096	8.54%
47	935 Ma	intenance of General Plant	165,822	179,986	0.54%
48	TOTA	L Administrative 9 Consul Turners	7 600 007	E 060 0EF	20 740/
49	IOTA	L Administrative & General Expenses	7,693,327	5,868,855	-23.71%
50			44 000 555	0.750.500	44.4857
51	TOTA	L Operation & Maintenance Expenses	11,362,099	9,759,523	-14.10%

SCHEDULE 10

Year: 1998

Company Name: Black Hills Corporation

Page 5 of 5

MONTANA	OPERATION	& MAINTEN	NANCE EXPENSES*

MONTANA TAXES OTHER THAN INCOME

Year:	1998

	Description of Tax	Last Year	This Year	% Change
1	Payroll Taxes	<u> Luot i oui</u>	7,110	/ · · · · · · · · · · · · · · · · · · ·
	Superfund			
	Secretary of State			
	Montana Consumer Counsel	(925)	2,160	333.51%
	Montana PSC	(923)	2,100	333.31 /
	Franchise Taxes	04 004	05.040	20 500/
	Property Taxes	91,064	65,040	-28.58%
	Tribal Taxes			
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5	1 TOTAL MT Taxes Other Than Income	90,139	67,200	-25.45%

PAYMENTS FOR SERVICES TO PERSONS OTHER THAN EMPLOYEES Year: 1998

***************************************		CES TO PERSONS OTH			Year: 1998
	Name of Recipient	Nature of Service	Total Company	Montana	% Montana
1					
2	AMOUNTS TO MONTANA OPE	RATIONS ARE NOT SIGNIFI	CANT		
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50	TOTAL Payments for Service	ces			
	TI TIME I Ayments for Service	/vv	1	1	<u> </u>

POLITICAL ACTION COMMITTEES / POLITICAL CONTRIBUTIONS Year: 1998

	Description	Total Company	Montana	% Montana
1	Description	Total Company	IVIUIILAIIA	// IVIOIIIalia
	NONE			
2	NONE			
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5	TOTAL Contributions		<u> </u>	1

Pension Costs

Year: 1998

6 Change in Benefit Obligation 28,365,668 28,170,257 0.69% Service cost 711,755 747,324 5.00% 10 terest Cost 2,063,679 2,048,655 -0,73% 11 Amendments 2,061,674 2,063,679 2,048,655 -0,73% 1,069,886 3,069,668 3,069,669 3,0	1	Plan Name Pension Plan of Black Hills Corp.			
3 Actuarial Cost Method? Project Unit Cost Method 4 Annual Contribution by Employer: \$0	2	Defined Benefit Plan? YES	Defined Contribution	Plan?	NO
Is the Plan Over Funded?YES_	1 1				
Item	4	•			
7 Benefit obligation at beginning of year 8 Service cost 9 Interest Cost 10 Plan participants' contributions 11 Amendments 12 Actuarial Gain 13 Acquisition 14 Benefits paid 15 Benefit obligation at end of year 15 Benefit obligation at end of year 16 Change in Plan Assets 17 Fair value of plan assets at beginning of year 18 Actuarial return on plan assets 18 Actual return on plan assets 19 Plan participants' contributions 19 Plan participants' contributions 19 Plan participants' contributions 20 Employer contribution 21 Plan participants' contributions 22 Benefits paid 23 Fair value of plan assets at end of year 24 Funded Status 25 Unrecognized net actuarial loss 26 Unrecognized net actuarial loss 27 Prepaid (accrued) benefit cost 28 Weighted-average Assumptions as of Year End 29 Discount rate 20 Discount rate 21 Rate of compensation increase 22 Rate of compensation increase 23 Fair value of plan assets 24 Funded Status 25 Service cost 27 Foreyal decreued plan assets 28 Recognized net actuarial loss 29 Weighted-average Assumptions as of Year End 29 Discount rate 20 Discount rate 21 Rate of compensation increase 22 Rate of compensation increase 23 Fair value of plan assets 24 Pended Teturn on plan assets 25 Service cost 27 Cospensation increase 27 Foreyal decreturn on plan assets 38 Amontization of prior service cost 39 Recognized net actuarial loss 30 Service cost 30 Foreyal Pended Status 30 Foreyal Pended Status 31 Expected return on plan assets 32 Rate of compensation increase 33 Service cost 34 Pension Costs Capitalized 35 Pension Costs Capitalized 36 Number of Company Employees: 47 Covered by the Plan 48 Not Covered by the Plan 49 Active 40 Pactive 41 Pactive 41 Pactive 42 Pactive 43 Pension Costs Capitalized 44 Deferred Vested Terminated 45 Losered Vested Terminated 46 Security of the Pension Costs Capitalized 47 Deferred Vested Terminated 48 Security of the Pension Costs Capitalized 49 Pension Costs Capitalized 40 Discourated Pension Asset (Liability) at Year End 41 Pension Costs Capitalized 45 Deferred Ve	3	Item	Current Year	Last Year	% Change
Service cost 711,755 747,324 5,00% 9 10 10 10 10 10 10 10	6	Change in Benefit Obligation			
9 Interest Cost 2,063,679 2,048,655 -0.73% 10 Plan participants' contributions 1 Amendments 1 Amendments 1 Actuarial Gain 4,173,337 -990,682 -123,74% 13 Acquisition 4,173,337 -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 1 27,876,281 -20,86% 18 Actual return on plan assets at beginning of year 35,225,441 27,876,281 -20,86% 18 Actual return on plan assets 1,747,453 8,959,046 412,89% 18 Actual return on plan assets 1,747,453 8,959,046 412,89% 19 Plan participants' contributions 2 Employer contributions 2 Employer contributions 35,851,517 35,225,441 -20,86% -0.38% 23,681,517 35,225,441 -0.38% 24,685 6,859,773 313,62% -0.38% 24,685 6,859,773 313,62% -0.38% 24,685 6,859,773 313,62% -0.38% 24,685 6,859,773 313,62% -0.38%	7	Benefit obligation at beginning of year	28,365,668	28,170,257	-0.69%
Plan participants' contributions	8	Service cost	711,755	747,324	5.00%
11 Amendments 4,173,337 -990,682 -123.74% 12 Actuarial Gain 4,173,337 -990,682 -123.74% 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 35,225,441 27,876,281 -20.86% 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 contributions 21 Employer contributions 21 Employer contributions -1,611,377 -1,609,886 0.09% 21 Plan participants' contributions -1,611,377 -1,609,886 0.09% 0.09% 22 Benefits paid -1,611,377 -1,609,886 0.09% 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 -6,581,441 -1972,45% 28 Unrecognized price service cost 332,485 348,112 <	9	Interest Cost	2,063,679	2,048,655	-0.73%
11 Amendments 4,173,337 -990,682 -123.74% 12 Actuarial Gain 4,173,337 -990,682 -123.74% 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 35,225,441 27,876,281 -20.86% 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 contributions 21 Employer contributions 21 Employer contributions -1,611,377 -1,609,886 0.09% 21 Plan participants' contributions -1,611,377 -1,609,886 0.09% 0.09% 22 Benefits paid -1,611,377 -1,609,886 0.09% 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 -6,581,441 -1972,45% 28 Unrecognized price service cost 332,485 348,112 <	10	Plan participants' contributions			
13 Acquisition					
13 Acquisition	12	Actuarial Gain	4,173,337	-990,682	-123.74%
Benefits paid -1,611,377 -1,609,886 0.09%	. ,				
15 Benefit obligation at end of year		•	-1,611,377	-1,609,886	0.09%
16 Change in Plan Assets		•		28,365,668	-15.84%
Fair value of plan assets at beginning of year 35,225,441 27,876,281 -20,86% 18,4ctual return on plan assets 1,747,453 8,959,046 412,89% 4					
18 Actual return on plan assets 1,747,453 8,959,048 412.69% 19 Acquisition 2 Employer contribution 2 1 plan participants' contributions -1,611,377 -1,609,886 0.09% 21 Plan participants' contributions -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 Weighted-average Assumptions as of Year End 7.50% 7.50% 10.50% 30 Discount rate 7.50% 7.50% 10.50% 31 Expected return on plan assets 10.50% 5.00% 5.00% 32 Rate of compensation increase 711,755 747,324 5.00% 35 Service cost 711,755 747,324 <			35,225,441	27,876,281	-20.86%
19 Acquisition 20 Employer contribution 21 Plan participants' contributions 22 Benefits paid 35,361,517 35,225,441 -0.38% 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% 313,62% 313,62% 32,485 348,112 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% 10,50% 31 Expected return on plan assets 10,50% 10,50% 333 34 Components of Net Periodic Benefit Costs 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				8,959,046	412.69%
Employer contribution Plan participants' contributions Plan participants' contri					
Plan participants' contributions -1,611,377 -1,609,886 0.09%		•			
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 Weighted-average Assumptions as of Year End		, ,			
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 Veighted-average Assumptions as of Year End 10,50% 10,50% 30 Discount rate 7.50% 7.50% 10,50% 31 Expected return on plan assets 10,50% 10,50% 10,50% 32 Rate of compensation increase 5,00% 5,00% 33 Veighted-average Assumptions as of Year End 10,50% 10,50% 10,50% 33 Sample of Components of Net Periodic Benefit Costs 711,755 747,324 5,00% 33 Service cost 711,755 747,324 5,00% 10,50% 1		· · · ·	-1,611,377	-1,609,886	0.09%
24 Funded Status 1,658,455 6,859,773 313.62% 25 Unrecognized net actuarial loss -317,940 -6,559,144 -1972.45% 332,485 348,112 4.70% -63.02% 27 Prepaid (accrued) benefit cost 1,673,000 618,741 -63.02% 28 29 Weighted-average Assumptions as of Year End Discount rate 7.50% 7.50% 3.00% 31 Expected return on plan assets 10.50% 5.00% 5.00% 33 34 Components of Net Periodic Benefit Costs 711,755 747,324 5.00% 36 Interest cost 2,063,679 2,048,655 -0.73% 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 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 Pension Costs Capitalized Accumulated Pension Asset (Liability) at Year End 46 Number of Company Employees: 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% 51 Deferred Vested Terminated 88 85 -3.41% 51 Deferred Vested Terminated 88 85 -3.41% 51 Deferred Vested Terminated 50.00% 5.00% 5.00% 7.50%	, ,	·	35,361,517	35,225,441	
Unrecognized prior service cost 332,485 348,112 4.70% -63.02% -6			1,658,455	6,859,773	313.62%
Unrecognized prior service cost 332,485 348,112 4.70% 7erpaid (accrued) benefit cost 1,673,000 618,741 -63.02% -63.02% 29 Weighted-average Assumptions as of Year End 30 Discount rate 7.50% 7.50% 10.50% 31 Expected return on plan assets 10.50% 5.00% 5.00% 32 Rate of compensation increase 5.00% 5.00% 5.00% 33 Components of Net Periodic Benefit Costs 711,755 747,324 5.00% 36 Interest cost 711,755 747,324 5.00% 37 Expected return on plan assets 2,063,679 2,048,655 -0.73%	25	Unrecognized net actuarial loss	-317,940	-6,589,144	-1972.45%
Prepaid (accrued) benefit cost			332,485	348,112	4.70%
28 29 Weighted-average Assumptions as of Year End		•	1,673,000	618,741	-63.02%
29 Weighted-average Assumptions as of Year End 7.50% 7.50% 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 Components of Net Periodic Benefit Costs 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 Montana Intrastate Costs: 42 Pension Costs 44 Pension Costs Capitalized 45 Accumulated Pension Asset (Liability) at Year End 511 514 0.59% 48 Not Covered by the Plan 511 514 0.59% 48 Not Covered by the Plan 12 14 16.67% 49					
30 Discount rate	i i	Weighted-average Assumptions as of Year End			
Expected return on plan assets 10.50% 5.00% 32 Rate of compensation increase 5.00% 5.00% 5.00% 33 34 Components of Net Periodic Benefit Costs 711,755 747,324 5.00% 36 Interest cost 2,063,679 2,048,655 -0.73% 2,063,679 2,063,679 2,048,655 -0.73% 2,048,655 -0.73% 2,048,655 -0.73% 2,048,655 -0.73% 2,048,655 -0.73% 2,048,655 -0.73% 2,048,655 -0.73% 2,048,655 -0.73% 2,048,655 -0.73% 2			7.50%	7.50%	
32 Rate of compensation increase 5.00% 5.00% 33 Components of Net Periodic Benefit Costs 711,755 747,324 5.00% 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 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: -1,054,259 -25,643 97.57% 41 42 Montana Intrastate Costs: -1,054,259 -25,643 97.57% 43 Pension Costs Capitalized			1		
Components of Net Periodic Benefit Costs Service cost 711,755 747,324 5.00% 35 Service 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 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: Pension Costs Pension Costs Pension Costs Pension Costs Capitalized Accumulated Pension Asset (Liability) at Year End Sin		, , , , , , , , , , , , , , , , , , ,	5.00%		
Components of Net Periodic Benefit Costs 711,755 747,324 5.00% 35 Service cost 2,063,679 2,048,655 -0.73% 2,069,427 -2,837,249 21.39% 38 Amortization of prior service cost 78,140					
Service cost 711,755 747,324 5.00% 36 Interest cost 2,063,679 2,048,655 -0.73% 2,063,679 2,048,655 -0.73% 2,063,679 2,048,655 -0.73% 2,063,679 2,048,655 -0.73% 2,063,679 2,048,655 -0.73% 2,048,655 -0.73% 2,048,655 -0.73% 2,048,655 -0.73% 2,048,655 -0.73% 2,048,655 -0.73% 2,048,655 -0.73% 2,048,655 -0.73% 2,139% 2,1		Components of Net Periodic Benefit Costs	Ì		
Interest cost 2,063,679 2,048,655 -0.73%	1		711.755	747.324	5.00%
Sepected 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 44 Pension Costs Capitalized 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% -3.41% 148 14			1		
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 Montana Intrastate Costs: Pension Costs 97.57% 43 Pension Costs Pension Costs Capitalized Pension Costs Capitalized 97.57% 45 Accumulated Pension Asset (Liability) at Year End 97.57% 97.57% 46 Number of Company Employees: 97.57% 97.57% 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%					
Recognized net actuarial loss -298,406 -62,513 79.05%	1	l ·	1		1
Net periodic benefit cost -1,054,259 -25,643 97.57%	1	·)
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 48 Not Covered by the Plan 49 Active 50 Retired 51 148 51 Deferred Vested Terminated					4
42 Montana Intrastate Costs: 9 Pension Costs 43 Pension Costs 44 Pension Costs Capitalized 45 Accumulated Pension Asset (Liability) at Year End 46 Number of Company Employees: 511 47 Covered by the Plan 511 48 Not Covered by the Plan 12 49 Active 275 50 Retired 148 51 Deferred Vested Terminated 88			1		
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 48 Not Covered by the Plan 49 Active 50 Retired 51 148 52 281 2189 50 Retired 51 Deferred Vested Terminated		Montana Intrastate Costs:			
44 Pension Costs Capitalized 45 Accumulated Pension Asset (Liability) at Year End 46 Number of Company Employees: 47 Covered by the Plan 48 Not Covered by the Plan 49 Active 50 Retired 51 148 51 148 51 Deferred Vested Terminated	i				
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%	1				
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%		l '			
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%					
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%		l	511	514	0.59%
49 Active 275 281 2.18% 50 Retired 148 148 51 Deferred Vested Terminated 88 85 -3.41%		·	1 1		
50 Retired 148 148 51 Deferred Vested Terminated 88 85 -3.41%	1	T	1 1		I .
51 Deferred Vested Terminated 88 85 -3.41%	1	1	1		3
	i .				1
Pana 16		Deteriou vesteu reminiateu			Page 16

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SCHEDULE 15

Other Post Employment Benefits (OPEBS)

Company Name: Black Hills Corporation

Year: 1998

************	Item	Current Year	Last Year	% Change
1	Regulatory Treatment:	Cultent Teal	Last Teat	70 Onlange
2	Commission authorized - most recent			
3	Docket number:			
4	Order number:			
- 1				
2	Amount recovered through rates			
	Weighted-average Assumptions as of Year End	6.75	7.5	11.11%
	Discount rate	0.75	7.5	11.1170
	Expected return on plan assets	٥	9.5	5.56%
	Medical Cost Inflation Rate	Drainated Unit Cost	Projected Unit Cost	1
	Actuarial Cost Method	Projected Offit Cost	5	
11	Rate of compensation increase	oll and if tax advan		
	List each method used to fund OPEBs (ie: VEBA, 401(I	i)) aliu ii tax auvali	layeu.	
13				
14	Description of the Description			
	Describe any Changes to the Benefit Plan:			
16	TOTAL COMPANY			
17	TOTAL COMPANY Change in Benefit Obligation			
10	Benefit obligation at beginning of year	2,141,236	1,721,179	-19.62%
	Service cost	106,710	1	1
		241,965		1
	Interest Cost	241,000	270,7710	10.0075
	Plan participants' contributions			
ı	Amendments	99,505	124,084	24.70%
1	Actuarial Gain	99,303	124,004	24.7070
	Acquisition	-188,862	-113,002	40.17%
	Benefits paid	2,400,554		
	Benefit obligation at end of year	2,400,554	2,141,230	-10.0070
	Change in Plan Assets	112 002		100.00%
	Fair value of plan assets at beginning of year	-113,002		100.0078
	Actual return on plan assets			
	Acquisition			
	Employer contribution			
	Plan participants' contributions	400.000	140,000	40.470/
	Benefits paid	-188,862		
	Fair value of plan assets at end of year	-301,864		
	Funded Status	-2,702,418	-2,254,238	16.58%
	Unrecognized net actuarial loss			
	Unrecognized prior service cost	0 = 00 // 0	0.054.000	40.50%
	Prepaid (accrued) benefit cost	-2,702,418	-2,254,238	16.58%
	Components of Net Periodic Benefit Costs			
	Service cost	106,710		
	Interest cost	241,965	273,413	13.00%
1	Expected return on plan assets			
	Amortization of prior service cost			
	Recognized net actuarial loss	99,505		
	Net periodic benefit cost	448,180	533,059	18.94%
47	Accumulated Post Retirement Benefit Obligation			
48	Amount Funded through VEBA			
49	·			
50	, ,			1
51				
52]
53				1
54	1 1	1		1
55				
				Page 17

SCHEDULE 15

Company Name: Black Hills Corporation

Page 2 of 2

Other Post Employment Benefits (OPEBS) Continued Year: 1998

/ IIICI	ltem	Current Year	Last Year	% Change
1 Nı	umber of Company Employees:	Ourient real	Last Tour	70 Onlange
2	Covered by the Plan	396	512	29.29%
3	Not Covered by the Plan			
4	Active	274	324	18.25%
	Retired	122	188	i
5	Spouses/Dependants covered by the Plan	'		
6	Spouses/Dependants covered by the Flan Montana			<u> </u>
8 Ct	hange in Benefit Obligation			
	enefit obligation at beginning of year			
	ervice cost			
	terest Cost			
	an participants' contributions			
	mendments			
	ctuarial Gain			
	cquisition			l
	enefits paid			1
	enefit obligation at end of year			
	hange in Plan Assets air value of plan assets at beginning of year			
	ctual return on plan assets			
	cquisition			
	mployer contribution			
	lan participants' contributions			
	enefits paid			
	air value of plan assets at end of year			
	unded Status			1
	nrecognized net actuarial loss			
	nrecognized prior service cost			1
29 P	repaid (accrued) benefit cost			
	omponents of Net Periodic Benefit Costs			
	ervice cost			
	nterest cost			
	xpected return on plan assets			
	mortization of prior service cost			
	ecognized net actuarial loss			
36 N	let periodic benefit cost			
	ccumulated Post Retirement Benefit Obligation			
	Amount Funded through VEBA			ļ
	Amount Funded through 401(h)			}
	Amount Funded through other			
41	TOTAL			-
	Amount that was tax deductible - VEBA			1
43	Amount that was tax deductible - 401(h)			
44	Amount that was tax deductible - Other			
45	TOTAL			ļ
46 N	Montana Intrastate Costs:			
47	Pension Costs			1
48	Pension Costs Capitalized			
49	Accumulated Pension Asset (Liability) at Year End			
	lumber 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			

SCHEDULE 16

Year: 1998

TOP TEN MONTANA COMPENSATED EMPLOYEES (ASSIGNED OR ALLOCATED)

	TOP TEN MONTAR	VA CUMIFE.	NOALEDI	MILTOIL	TO (Apploint	D OK ALLO	AILU
Line							
No.						Total	% Increase
					Total	Compensation	
	Name/Title	Base Salary	Bonuses	Other	Compensation	Last Year	Compensation
	ivallie/ fille	Dase Salary	Dolluses	Other	Compensation	<u> Luot 1 oui</u>	Componention
1	N/A						
2							
3							
1							
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5	5						
6							
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1							
1 !	9						
1							
1 '					1		
							Page 18

SCHEDULE 17 Year: 1998

COMPENSATION OF TOP 5 CORPORATE EMPLOYEES - SEC INFORMATION

	COMPENSATION	10110	COMION	TALLY RUIVA	I EO I EES SI	e hii olaini	11011
Line							
No.						Total	% Increase
					Total	Compensation	Total
	Name/Title	Base Salary	Bonuses	Other	Compensation	Last Year	Compensation
1	Daniel P. Landguth	237,550	47,683	26,341	311,574	267,074	17%
	Chariman, President, and Chief Executive Officer of the Company and Subsidiaries	237,330	47,003	20,041	311,374	201,014	1770
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%
	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	Last I Gal	illio I Gal	70 Change
2	Utility Plant			
3	101 Electric Plant in Service	358,857,260	492,953,212	-27%
1 1		338,837,200	492,933,212	-2.1 /6
4	· · ·			
5				
6	104 Electric Plant Leased to Others			
7	105 Electric Plant Held for Future Use	424 420 622	4 500 364	2758%
8	106 Completed Constr. Not Classified - Electric	131,429,623	4,598,264	
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	4 272 222	4 070 000	
12	114 Electric Plant Acquisition Adjustments	4,870,308	4,870,308	400/
13	115 (Less) Accum. Amort. Elec. Acq. Adj.	(1,009,363)	(1,160,767)	13%
14	120 Nuclear Fuel (Net)			400
15	TOTAL Utility Plant	334,857,692	331,109,736	1%
16				
	Other Property & Investments	5.040	5.040	00/
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			904
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			1
42	156 Other Material & Supplies	52	392	-87%
43	157 Nuclear Materials Held for Sale			1
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	(3.,555]
48				
49	•			1
		34,713,086	42,709,377	-19%
50	TOTAL Current & Accrued Assets	34,713,000	42,109,311	1 -1370

Page 2 of 3 Year: 1998 BALANCE SHEET Last Year % Change Account Number & Title This Year 1 2 Assets and Other Debits (cont.) 3 Deferred Debits 5 1,842,789 1,709,698 8% 6 **Unamortized Debt Expense** 181 **Extraordinary Property Losses** 7 182.1 8 Unrecovered Plant & Regulatory Study Costs 182.2 464,456 8.044 5674% Prelim. Survey & Investigation Charges 9 183 21% 1.049.740 1,273,565 10 184 Clearing Accounts 185 **Temporary Facilities** 11 280,443 485,769 -42% Miscellaneous Deferred Debits 186 12 Deferred Losses from Disposition of Util. Plant 13 187 Research, Devel. & Demonstration Expend. 188 14 20% 498.468 415.595 Unamortized Loss on Reacquired Debt 15 189 0% 9,841,330 9,822,568 Accumulated Deferred Income Taxes 16 190 5% 13,510,177 **TOTAL Deferred Debits** 14,182,289 17 18 445,840,121 451,404,037 -1% 19 **TOTAL Assets & Other Debits** This Year % Change Last Year Account Title 20 **Liabilities and Other Credits** 21 22 23 Proprietary Capital 24 0% 21.704.592 21,719,465 25 201 Common Stock Issued 26 202 Common Stock Subscribed 27 204 Preferred Stock Issued Preferred Stock Subscribed 28 205 -1% 42,497,118 42,755,486 207 Premium on Capital Stock 29 Miscellaneous Paid-In Capital 30 211 213 (Less) Discount on Capital Stock 31 0% 32 214 (Less) Capital Stock Expense (2,501,882)(2,501,882)Appropriated Retained Earnings 33 215 147,875,186 -3% **Unappropriated Retained Earnings** 143,703,041 34 216 217 (Less) Reacquired Capital Stock 35 -2% 205,402,869 209,848,255 **TOTAL Proprietary Capital** 36 37 Long Term Debt 38 39 1% 137,335,866 136,005,137 40 221 **Bonds** 222 (Less) Reacquired Bonds 41

27,355,000

164,690,866

27,355,000

163,360,137

Advances from Associated Companies

226 (Less) Unamort. Discount on L-Term Debt-Dr.

Unamortized Premium on Long Term Debt

Other Long Term Debt

TOTAL Long Term Debt

223

224

225

42

43

44

45

46

1%

BALANCE SHEET

		BALANCE SHEET	Yea		ar: 1998	
		Account Number & Title	Last Year	This Year	% Change	
1 2 3	ר	Total Liabilities and Other Credits (cont.)				
	Other Non	current Liabilities				
6 7 8	227 228.1 228.2	Obligations Under Cap. Leases - Noncurrent Accumulated Provision for Property Insurance Accumulated Provision for Injuries & Damages				
9	228.3 228.4	Accumulated Provision for Pensions & Benefits Accumulated Misc. Operating Provisions				
11 12	229	Accumulated Provision for Rate Refunds FOTAL Other Noncurrent Liabilities				
13 14 15		Accrued Liabilities				
16 17	231 232	Notes Payable Accounts Payable Notes Payable to Accessisted Companies	3,159,642	3,374,454	-6%	
18 19 20		Notes Payable to Associated Companies Accounts Payable to Associated Companies Customer Deposits	32,686 355,439	124,412 406,229	-74% -13%	
21 22	236 237	Taxes Accrued Interest Accrued	4,393,741 3,726,848	5,467,644 3,692,062	-20% 1%	
23 24	1	Dividends Declared Matured Long Term Debt				
25 26	l .	Matured Interest Tax Collections Payable	392,399	380,136	3%	
27 28	242 243	Miscellaneous Current & Accrued Liabilities Obligations Under Capital Leases - Current	2,905,228	2,768,260	5%	
30		TOTAL Current & Accrued Liabilities	14,965,983	16,213,198	-8%	
32	1					
33 34	253	Customer Advances for Construction Other Deferred Credits	681,884 11,800,688	643,167 11,875,310	6% -1%	
35 36 37	256	Accumulated Deferred Investment Tax Credits Deferred Gains from Disposition Of Util. Plant Unamortized Gain on Reacquired Debt	4,014,008	3,513,717	14%	
38 39	281-283	Accumulated Deferred Income Taxes TOTAL Deferred Credits	44,283,823 60,780,403	45,950,254 61,982,447	-4% -2%	
40 41	1	ABILITIES & OTHER CREDITS	445,840,121	451,404,037	-1%	

Page 1 of 3

MONTANA PLANT IN SERVICE (ASSIGNED & ALLOCATED)

MON	ITANA PI	LANT IN SERVICE (ASSIGNED & ALLO	CATED)	Yea	ar: 1998
		Account Number & Title	Last Year	This Year	% Change
1					
2	Ir	ntangible Plant			
3					
4	301	Organization			
5	302	Franchises & Consents			
6	303	Miscellaneous Intangible Plant			
7	_				1
8	T	OTAL Intangible Plant			
9		Production Plant			
10 11	r	roduction Plant			
	Steam Prod	duction			
13	Otcamin	duotion			
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	1	FOTAL Steam Production Plant			
23					1
	Nuclear Pr	oduction			
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	2	TOTAL Nuclear Production Plant			
33		IOTAL NUCIBAL FIDUUCIIDII FIAIIL			
	 Hydraulic F	Production			
36	1 -	Toddollon			
37	1	Land & Land Rights			
38		Structures & Improvements			
39	1	Reservoirs, Dams & Waterways			1
40	1	Water Wheels, Turbines & Generators			
41	1	Accessory Electric Equipment	1		İ
42	1	Miscellaneous Power Plant Equipment			
43	ı	Roads, Railroads & Bridges			
44					1
45		TOTAL Hydraulic Production Plant	<u> </u>		

Page 2 of 3

MOI	NTANA PI	LANT IN SERVICE (ASSIGNED & ALLC	CATED)	Yea	ır: 1998
		Account Number & Title	Last Year	This Year	% Change
1					
2	P	Production Plant (cont.)			
3					
4	Other Prod	uction			
5	240	Land 9 Land Dights			
6	340	Land & Land Rights Structures & Improvements			
7 8	341 342	Fuel Holders, Producers & Accessories			
9	342	Prime Movers			
10	1	Generators			
11	1	Accessory Electric Equipment			
12	B	Miscellaneous Power Plant Equipment			
13		Wildochanoodo i owor i fant Equipment			
14	1	OTAL Other Production Plant			
15					
16		TOTAL Production Plant			}
17					
18	. 7	Fransmission Plant			
19					00/
20	350	Land & Land Rights	20,312	20,312	0%
21	352	Structures & Improvements	İ		
22		Station Equipment			ļ
23		Towers & Fixtures	904 949	044.000	60/
24		Poles & Fixtures	231,348	244,889	-6% -15%
25		Overhead Conductors & Devices	256,431	300,275	-13%
26	1	Underground Conduit			
27	1	Underground Conductors & Devices			
28	l .	Roads & Trails			
29		TOTAL Transmission Plant	508,091	565,475	-10%
30		TOTAL Transmission Plant	300,091	303,470	10,0
32		Distribution Plant			
33	- i	Distribution Flant			
34	i i	Land & Land Rights	5,992	5,992	0%
35		Structures & Improvements	5,970	5,970	0%
36	1	Station Equipment	327,565	327,565	0%
37		Storage Battery Equipment	,	•	1
38		Poles, Towers & Fixtures	132,114	121,569	9%
39	1	Overhead Conductors & Devices	171,157	110,502	55%
40		Underground Conduit	909	909	0%
41	1	Underground Conductors & Devices	15,834	15,834	
42	1	Line Transformers	57,055	37,372	
43		Services	3,708	3,383	1
44	1	Meters	6,277	6,277	
45		Installations on Customers' Premises			
46	1	Leased Property on Customers' Premises			
47	1	Street Lighting & Signal Systems			
48	В				
49	9	TOTAL Distribution Plant	726,581	635,373	14%

Page 3 of 3

MONT	ANA P	LANT IN SERVICE (ASSIGNED & AL	LOCATED)	Year: 1998			
		Account Number & Title	Last Year	This Year	% Change		
1 2 3	G	Seneral Plant					
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			ļ		
11	396	Power Operated Equipment					
12	397	Communication Equipment	14,732	14,732			
13	398	Miscellaneous Equipment					
14	399	Other Tangible Property					
15							
16	T	OTAL General Plant	14,732	14,732			
17							
18	٦	OTAL Electric Plant in Service	1,249,404	1,215,580	<u> </u>		

SCHEDULE 20

Company Name: Black Hills Corporation

MONTANA DEPRECIATION SUMMARY

MO	NTANA DEPRECIATION SUN	IMARY			Year: 1998
			Accumulated De	preciation	Current
	Functional Plant Classification	Plant Cost	Last Year Bal.	This Year Bal.	Avg. Rate
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	TOTA	L Materials & Supplies	\$0	\$0	

MONTANA REGULATORY CAPITAL STRUCTURE & COSTS **SCHEDULE 22**

					Weighted
	Commission Accepted - Most Rec	cent	% Cap. Str.	% Cost Rate	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
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	l e				
12	Common Equity		56.23%		
13	Preferred Stock				
14	Long Term Debt		43.77%		
15	Other				
16	TOTAL		100.00%		

STATEMENT OF CASH FLOWS

	STATEMENT OF CASH FLOWS			Year: 1998
	Description	Last Year	This Year	% Change
1				
2	Increase/(decrease) in Cash & Cash Equivalents:			
3	Out to Ellin Common Com			
	Cash Flows from Operating Activities:	20 257 670	25 000 056	25%
5	Net Income Depreciation	32,357,672	25,909,056 14,730,143	-2%
6 7	Amortization	14,456,529 380,227	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)	l i
10	Change in Operating Receivables - Net	(659,367)	(140,377)	i i
11	Change in Materials, Supplies & Inventories - Net	270,970	(598,557)	
12	Change in Materials, Supplies & Inventories - Net	(596,997)	1,247,215	-148%
13	Allowance for Funds Used During Construction (AFUDC)	(98,749)	(130,684)	
14	Change in Other Assets & Liabilities - Net	2,019,615	(1,304,125)	1
15	Other Operating Activities (explained on attached page)	(10,252,049)	(1,083,884)	I I
16	Net Cash Provided by/(Used in) Operating Activities	39,043,040	40,107,168	-3%
17	Net outsit i tovided by/(outsit iii) operating floriviates	30,010,010	10,107,100	- 7.
	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				
	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				
35	Net Increase in Short-Term Debt			
36				
37	Payment for Retirement of:	(4.504.405)	(4 000 700)	4.50
38		(1,534,128)	(1,330,729)	-15%
39				
40				
41				
42	Net Decrease in Short-Term Debt			
43		(20 520 024)	(24 726 044)	6%
44		(20,538,021)	(21,736,911)	0%
45		(21 662 200)	(22.704.200)	5%
46		(21,663,389)	(22,794,399)	3%
	Net Increase/(Decrease) in Cash and Cash Equivalents	1 120 047	(EE2 040)	301%
	Cash and Cash Equivalents at Beginning of Year	1,129,047 8,747,116	(562,910) 9,876,163	
	Cash and Cash Equivalents at Beginning of Year	9,876,163	9,313,253	
50	Cash and Cash Equivalents at Ellu of Teal	1 9,070,103	७ ,७।७,८७७	Page 27

LONG TEDM DEDT

				LONG T	TERM DEBT			Year:	1998
		Issue	Maturity			Outstanding		Annual	
		Date	Date	Principal	Net	Per Balance	Yield to	Net Cost	Total
	Description	Mo./Yr.	Mo./Yr.	Amount	Proceeds	Sheet	Maturity	Inc. Prem/Disc.	Cost %
	Series:								
2		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. Bond	s							
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									
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28						İ			
29									
30									
31									
	TOTAL	L		172,306,000	169,999,883	163,360,137		13,312,958	8.15%

PREFERRED STOCK

Year: 1998

		Issue								
		Date	Shares	Par	Call	Net	Cost of	Principal	Annual	Embed.
	Series	Mo./Yr.	Issued	Value	Price	Proceeds	Money	Outstanding	Cost	Cost %
		IVIO./ 11.	133000	Value	1 1100	1100000	10121129			
1										
2	N/A									
3										
4										
5										
6										
7	1									
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32	TOTAL	<u> </u>	L	L	<u> </u>		L	L	<u> </u>	L

Company Name: Black Hills Corporation

			COMMO	COMMON STOCK				Year: 1998
	Avg. Number of Shares	Book Value Per Share	Eamings Per Share	Dividends Per Share	Retention	Market Price High	et S Low	Price/ Earnings Ratio
7 2	Display of the control of the contro							
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	
10 April	21,711,598	9.73						
11 12 May	21,619,922	69.6						
13 14 June	21,714,406	9.56	0.35	0.25		24.25	20.69	
15 16 July	21,553,506	9.79					11.00	
17 18 August	21,577,783	9.91		and the second second				
19 20 September	21,572,940	9.82	0.45	0.25		26.88	22.31	
21 22 October	21,570,990	9.93				MARYEN PAR PAR PAR PAR PAR PAR PAR PAR PAR PAR		
23 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								
31 32 TOTAL Veer End			1.204	1.00	16.94%	26.38		21.9
32 10175 1681 5113								

MONTANA EARNED RATE OF RETURN

	MONTANA EARNED RATE OF R	ETURN		Year: 1998
	Description	Last Year	This Year	% Change
	Rate Base			
1				
2	101 Plant in Service			
3	108 (Less) Accumulated Depreciation			
5	NET Plant in Service			
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 18	TOTAL Deductions TOTAL Rate Base			
19	TOTAL Rate Base			
20	Net Earnings			
21	1101 241111190			
22	Rate of Return on Average Rate Base			
23				
24	Rate of Return on Average Equity			_
25				
	Major Normalizing Adjustments & Commission			
1 1	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			i	
35				
36				
37				
38				
39				
40				
41				
42				
44				
45				
46				
47				
48				
49	Adjusted Rate of Return on Average Equity			

MONTANA COMPOSITE STATISTICS

	MONTANA COMPOSITE STATISTICS	Year: 1998
	Description	Amount
1		
2	Plant (Intrastate Only) (000 Omitted)	
3		1.015
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):	(000)
10	108, 111 Depreciation & Amortization Reserves	(383)
11	252 Contributions in Aid of Construction	
12		900
13	NET BOOK COSTS	832
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	Other Old Pallan (Interstate Oath)	
42	1	
43 44		7,836
45		7.23
46		1
40	x 12)]/annual use	
47	· ·	47.24
48	-	28,942

Corporation
Black Hills
Company Name:

Year: 1998	Total Customers	24	42
	Industrial & Other Customers	5	7.
	Commercial Customers		27
ORMATION	Residential Customers	·	13
MONTANA CUSTOMER INFORMATION	Population (Include Rural)		
MONTANA	City/Town	Carter and Powder Rive	7 TOTAL Montana Customers
		10 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	

Year: 1998

MONTANA EMPLOYEE COUNTS

90000000000	MONTANA EMPLOTEE COUNTS	Year Beginning	Year End	Average
	Department	Year Beginning	real Enu	Average
1	N/A			
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F	TOTAL Montana Employees			
50	I O I AL MONTANA EMPROYEES	<u> </u>		Dogo 24

50 TOTAL

ANA CONSTRUCTION BUDGET (ASSIGNED & ALLOCATED)

2 MONTANA CONSTRUCTION BUDGETS ARE NOT SIGNIFICANT

Project Description

SCHEDULE 31 Year: Total Company Total Montana

SCHEDULE 32

Year: 1998

Company Name: Black Hills Corporation

TOTAL SYSTEM & MONTANA PEAK AND ENERGY

System

	= , = - >								
		Peak	Peak	Peak Day Volumes	Total Monthly Volumes	Non-Requirements			
		Day of Month	Hour	Megawatts	Energy (Mwh)	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				
	TOTAL	1			2,370,566	371,104			

Montana

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

TOTAL SYSTEM Sources & Disposition of Energy SCHEDULE 33

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

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		SOURCES OF	ELECTRIC SUPPL		Year: 1998
		Plant		Annual	Annual
	Туре	Name	Location	Peak (MW)	Energy (Mwh)
1	Thermal	Ben French	Rapid City, SD	98	31,829
2 3	Thermal	Ben French	Rapid City, SD	10	1,254
	Thermal	Ben French	Rapid City, SD	24	179,000
6 7 8	Thermal	Osage	Osage, WY	35	251,438
	Thermal	Wyodak	Gillette, WY	112	571,305
	Thermal	Neil Simpson Compl	Gillette, WY	69	835,421
	Purchases	See Schedule 34			502,510
	Wheeling	See Schedule 34			-12,001
	Total Interchange				9,810
19 20					
21 22					
23 24					
25 26					
27 28					
30					
31					
33 34 35					
36	6				
38	3				
40					
42	2				
44	1				
46	3				
48					
49	Total			348	2,370,566

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ζ.	HILLS CONTOURSTION	
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	Value of the Co	
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SCHEDULE 35

~			
Year: 1998	Difference (MW & MWH)		
Yea	Diff (MW		
	ved ngs MWH)		
	Achieved Savings (MW & MWH)		
:	ed gs fWH)		
	Planned Savings (MW & MWH)		
MS			
OGRA	% Change		
INT PR	ear itures		
AGEMI	Last Year Expenditures		
MAN/	rear ures		
ID SIDE	Current Year Expenditures	Fi	
EMAN		SIGNIFICANT	
ON & I	_		
AVATI	Program Description	OPERATIONS ARE NOT	
ONSEI	gram De	ATIONS	
ANA C	Pro Pro		
MONTANA CONSERVATION & DEMAND SIDE MANAGEMENT PROGRAMS		1 MONTANA 2 MONTANA 3 MONTANA 5 MONTANA 6 MONTANA 6 MONTANA 7 MONTANA 6 MONTANA 7 MONTANA 9 MONTANA 1 MONTANANA 1 MONTANANA 1 MONTANANA 1 MONTANANA 1 MONTANANA 1 MONTANANA 1 MONTANANANANA 1 MONTANANANANANANANANANANANANANANANANANANA	32 TOTAL
		- C & 4 & 6 & C & C & C & C & C & C & C & C & C	32

MONTANA CONSUMPTION AND REVENUES

Year:	199

00000000000								
	Operating Rever		Revenues	MegaWatt H		Avg. No. of Customers		
		Current	Previous	Current	Previous	Current	Previous	
	Sales of Electricity	Year	Year	Year	Year	Year	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			1				
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	