

YEAR 2001

ANNUAL REPORT  
OF  
**Black Hills Corporation**

ELECTRIC UTILITY



TO THE  
PUBLIC SERVICE COMMISSION  
STATE OF MONTANA  
1701 PROSPECT AVENUE  
P.O. BOX 202601  
HELENA, MT 59620-2601

**BLACK HILLS POWER, INC.**

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

RECEIVED BY  
2002 MAY 03 11:03  
TELEPHONE  
(605)721-1700

Roxann R. Basham  
Controller

April 30, 2002

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

Dear Sirs:

Enclosed is the 2001 Annual Electric Utility Report for Black Hills Power, Inc.

Sincerely,



Roxann R. Basham  
Controller

RRB:pac

Enclosures

**IDENTIFICATION**

Year: **2001**

1.	Legal Name of Respondent:	Black Hills Power, Inc.
2.	Name Under Which Respondent Does Business:	Black Hills Power, Inc.
3.	Date Utility Service First Offered in Montana	2/23/68
4.	Address to send Correspondence Concerning Report:	P. O. Box 1400 625 Ninth Street Rapid City, SD 57709
5.	Person Responsible for This Report:	Roxann Basham, Controller
5a.	Telephone Number:	(605) 721-1700
<b>Control Over Respondent</b>		
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:	Black Hills Corporation
1b.	Means by which control was held:	Common Stock
1c.	Percent Ownership:	100%

SCHEDULE 2

<b>Board of Directors</b>			
Line No.	Name of Director and Address (City, State)		Remuneration
	(a)	(b)	
1	Bruce B. Brundage	Englewood, CO	\$ 23,300
2	Thomas J. Zeller	Rapid City, SD	\$ 24,500
3	Adil M. Ameer	Rapid City, SD	\$ 22,700
4	John R. Howard	Rapid City, SD	\$ 25,700
5	Everett E. Hoyt *	Rapid City, SD	
6	Kay S. Jorgensen	Spearfish, SD	\$ 25,700
7	Daniel P. Landguth *	Rapid City, SD	
8	David C. Ebertz	Gillette, WY	\$ 25,700
9	David S. Maney	Lakewood, CO	\$ 22,700
10			
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13			
14	* Officers of the Company -		
15	Not compensated as Directors		
16			
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**Officers**

Year: 2001

Line No.	Title of Officer (a)	Department Supervised (b)	Name (c)
1	Chairman of the Board and		Daniel P. Landguth
2	CEO		
3			
4	President and COO		Everett E. Hoyt
5			
6	Sr. Vice-President, Chief		Mark T. Thies
7	Financial Officer, Treasurer		
8	and Assistant Secretary		
9			
10	Vice-President - Controller,		Roxann R. Basham
11	Principal Accounting Officer		
12	and Assistant Secretary		
13			
14	President and		Thomas M. Ohlmacher
15	COO Integrated Energy		
16			
17	Sr. Vice President		James M. Mattern
18	Corporate Administration		
19			
20	V.P. - Fuel Resources		David R. Emery
21			
22	V.P. - Corporate Affairs		Kyle D. White
23			
24	General Counsel and		Steven J. Helmers
25	Corporate Secretary		
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## CORPORATE STRUCTURE

Year: 2001

	Subsidiary/Company Name		Line of Business	Earnings	Percent of Total
1	Black Hills Power, Inc.		Electric Utility	45,238,407	104.54%
2	Black Hills Energy Capital, Inc.		Independent Power	(1,964,124)	-4.54%
3	Adirondack Hydro Development Corp.	1			
4	EIF Investors, Inc.	1			
5	Black Hills High Desert, Inc.	1			
6	Black Hills Berkshire, LLC	1			
7	Black Hills Capital Development, Inc.	1			
8	North American Funding LLC	1			
9	Black Hills Idaho Operations, LLC	1			
10	Black Hills North America, Inc.	1			
11	Black Hills Independent Power Fund, Inc.	1			
12	Black Hills Independent Power Fund II, Inc.	1			
13	Indeck North American Power Partners, LP	2			
14	South Glens Falls, LLC	1			
15	Black Hills Valmont Colorado, Inc.	1			
16	Black Hills Colorado, LLC	1			
17	Hudson Falls, LLC	1			
18	Warrensburg Hydro Power Limited Partnership	1			
19	AHDC, LLC	1			
20	Middle Falls Corporation	1			
21	Warrensburg Corporation	1			
22	Warrensburg II Corporation	1			
23	Adirondack Hydro-Fourth Branch, LLC	1			
24	Adirondack Operating Services, LLC	1			
25	Middle Falls II, LLC	1			
26	Sissonville Corporation	1			
27	Sissonville II, LLC	1			
28	State Dam Corporation	1			
29	State Dam II, LLC	1			
30	Indeck North American Power Fund, LP	3			
31	Black Hills Harbor, LLC	4			
32	Indeck Auburndale, LLC	3			
33	Indeck Gordonsville, LLC	3			
34	Acquisition Partners, LP	1			
35	NHP, LP	1			
36	ICPM, Inc.	1			
37	Sissonville Limited Partners, LLC	1			
38	NYSD Partners, LLC	1			
39	Black Hills Fountain Valley, LLC	1			
40	Black Hills Nevada, LLC	1			
41	Black Hills Southwest, LLC	1			
42	Las Vegas Cogeneration II, LLC	1			
43	Sunco Ltd., LLC	1			
44	Black Hills Nevada Real Estate Holdings, LLC	1			
45	E-Next A Equipment Leasing Company, LLC	1			
46	Black Hills Nevada Operations, LLC	1			
47	Black Hills Long Beach, Inc.	1			
48	Las Vegas Cogeneration				
49	Energy Financing Company, LLC	1			
50				\$ 43,274,283	

**CORPORATE STRUCTURE**

Subsidiary/Company Name	Line of Business	Earnings	Percent of Total
Fountain Valley Power, LLC	1 1		
Harbor Cogeneration Company	5 5		
Sissonville Limited Partnership	1 1		
NYSD Limited Partnership	1 1		
Indeck Pepperell Power Associates, Inc.	6 6		
1 Note 1 - Wholly-owned direct and indirect			
2 subsidiaries of			
3 Black Hills Energy Capital, Inc.			
4			
5 Note 2 - 85.67% owned directly and indirectly			
6 by Black Hills Energy Capital, Inc.			
7			
8 Note 3 - 81.892% owned directly and indirectly			
9 by Black Hills Energy Capital, Inc.			
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11 Note 4 - 76.129% owned indirectly by			
12 Black Hills Energy Capital, Inc.			
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14 Note 5 - 53.29% owned indirectly by			
15 Black Hills Energy Capital, Inc.			
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17 Note 6 - 82.892% owned indirectly by			
18 Black Hills Energy Capital, Inc.			
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42 <b>TOTAL</b>			

**CORPORATE ALLOCATIONS**

Year: 2001

	Items Allocated	Classification	Allocation Method	\$ to MT Utility	MT %	\$ to Other
1	Not Significant to Montana Operations					
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34	<b>TOTAL</b>					

**AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED TO UTILITY Year: 2001**

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 (Based on similar arms-length transactions)	11,248,950	35.40%	80,845
2	Development Corp.					
3						
4	Enserco Energy, Inc.	Gas sales to Utility	Fair Market Value (Based on similar arms-length transactions)	13,205,144	1.60%	59,687
5						
6						
7	Daksoft, Inc.	Software development and computer software	Fair Market Value (Based on similar arms-length transactions)	1,930,712	46.00%	10,175
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9						
10	Black Hills FiberCom LLC	Telephone service	Fair Market Value (Based on similar arms-length transactions)	173,332	1.00%	913
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<b>32</b>	<b>TOTAL</b>			<b>26,558,138</b>		<b>151,620</b>



**AFFILIATE TRANSACTIONS - PRODUCTS & SERVICES PROVIDED BY UTILITY Year: 2001**

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	489,841	100.00%	
2	Development Corp.	Electricity	South Dakota Commercial Rate	299,264	100.00%	
3	FiberCom LLC					
4	Black Hills Generation	Transmission Service	Firm Point-to-Point Open Access Transmission Tariff	733,854	100.00%	
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32	<b>TOTAL</b>			1,522,959		

**MONTANA UTILITY INCOME STATEMENT\***

Year: 2001

	Account Number & Title	Last Year	This Year	% Change
1	400 Operating Revenues	173,308,149	213,209,493	23.02%
2	Montana Revenues = \$646,582			
3	Operating Expenses			
4	401 Operation Expenses	76,677,516	98,273,700	28.16%
5	402 Maintenance Expense	6,651,393	7,863,273	18.22%
6	403 Depreciation Expense	14,814,410	15,621,647	5.45%
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 & Regulatory Study Costs			
10				
11	408.1 Taxes Other Than Income Taxes	6,805,266	7,191,337	5.67%
12	409.1 Income Taxes - Federal	18,815,132	23,680,390	25.86%
13	- Other			
14	410.1 Provision for Deferred Income Taxes	1,145,879	1,057,840	-7.68%
15	411.1 (Less) Provision for Def. Inc. Taxes - Cr.			
16	411.4 Investment Tax Credit Adjustments	(491,703)	(482,770)	1.82%
17	411.6 (Less) Gains from Disposition of Utility Plant			
18	411.7 Losses from Disposition of Utility Plant			
19				
20	<b>TOTAL Utility Operating Expenses</b>	124,569,297	153,356,821	23.11%
21	<b>NET UTILITY OPERATING INCOME</b>	48,738,852	59,852,672	22.80%

**MONTANA REVENUES**

SCHEDULE 9

	Account Number & Title	Last Year	This Year	% Change
1	Sales of Electricity			
2	440 Residential	5,937	5,180	-12.75%
3	442 Commercial & Industrial - Small	16,733	18,550	10.86%
4	Commercial & Industrial - Large	606,419	622,802	2.70%
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	<b>TOTAL Sales to Ultimate Consumers</b>	629,089	646,532	2.77%
11	447 Sales for Resale			
12				
13	<b>TOTAL Sales of Electricity</b>	629,089	646,532	2.77%
14	449.1 (Less) Provision for Rate Refunds			
15				
16	<b>TOTAL Revenue Net of Provision for Refunds</b>	629,089	646,532	2.77%
17	Other Operating Revenues			
18	450 Forfeited Discounts & Late Payment Revenues	19	20	5.26%
19	451 Miscellaneous Service Revenues	30	30	
20	453 Sales of Water & Water Power			
21	454 Rent From Electric Property	20,003		-100.00%
22	455 Interdepartmental Rents			
23	456 Other Electric Revenues			
24				
25	<b>TOTAL Other Operating Revenues</b>	20,052	50	-99.75%
26	<b>Total Electric Operating Revenues</b>	649,141	646,582	-0.39%

\* Total Company Income Statement

**MONTANA OPERATION & MAINTENANCE EXPENSES\***

Year: 2001

Account Number & Title		Last Year	This Year	% Change
1	Power Production Expenses			
2				
3	Steam Power Generation			
4	Operation			
5	500 Operation Supervision & Engineering	1,288,036	1,462,154	13.52%
6	501 Fuel	12,426,917	14,249,013	14.66%
7	502 Steam Expenses	1,821,112	2,273,657	24.85%
8	503 Steam from Other Sources			
9	504 (Less) Steam Transferred - Cr.			
10	505 Electric Expenses	630,756	766,282	21.49%
11	506 Miscellaneous Steam Power Expenses	1,234,081	727,605	-41.04%
12	507 Rents			
13				
14	TOTAL Operation - Steam	17,400,902	19,478,711	11.94%
15	Maintenance			
16				
17	510 Maintenance Supervision & Engineering	243,686	284,286	16.66%
18	511 Maintenance of Structures	127,057	211,704	66.62%
19	512 Maintenance of Boiler Plant	2,188,818	2,607,714	19.14%
20	513 Maintenance of Electric Plant	997,614	1,082,970	8.56%
21	514 Maintenance of Miscellaneous Steam Plant	752,677	1,104,421	46.73%
22				
23	TOTAL Maintenance - Steam	4,309,852	5,291,095	22.77%
24				
25	<b>TOTAL Steam Power Production Expenses</b>	21,710,754	24,769,806	14.09%
26	Nuclear Power Generation			
27				
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	Maintenance			
41				
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	<b>TOTAL Nuclear Power Production Expenses</b>			

**MONTANA OPERATION & MAINTENANCE EXPENSES\***

Year: 2001

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	<b>TOTAL Hydraulic Power Production Expenses</b>			
23				
24	Other Power Generation			
25	Operation			
26	546 Operation Supervision & Engineering	39,554	42,746	8.07%
27	547 Fuel	19,061,650	24,385,241	27.93%
28	548 Generation Expenses	259,738	575,303	121.49%
29	549 Miscellaneous Other Power Gen. Expenses	4,849	6,070	25.18%
30	550 Rents		2,983,485	N/M
31				
32	TOTAL Operation - Other	19,365,791	27,992,845	44.55%
33				
34	Maintenance			
35	551 Maintenance Supervision & Engineering	25,402	34,905	37.41%
36	552 Maintenance of Structures	8,059	15,048	86.72%
37	553 Maintenance of Generating & Electric Plant	617,433	755,904	22.43%
38	554 Maintenance of Misc. Other Power Gen. Plant	39,853	26,687	-33.04%
39				
40	TOTAL Maintenance - Other	690,747	832,544	20.53%
41				
42	<b>TOTAL Other Power Production Expenses</b>	20,056,538	28,825,389	43.72%
43				
44	Other Power Supply Expenses			
45	555 Purchased Power	22,333,529	28,712,682	28.56%
46	556 System Control & Load Dispatching			
47	557 Other Expenses			
48				
49	TOTAL Other Power Supply Expenses	22,333,529	28,712,682	28.56%
50				
51	<b>TOTAL Power Production Expenses</b>	64,100,821	82,307,877	28.40%

**MONTANA OPERATION & MAINTENANCE EXPENSES\***

Year: 2001

Account Number & Title		Last Year	This Year	% Change
1	Transmission Expenses			
2	Operation			
3	560 Operation Supervision & Engineering	262,387	230,306	-12.23%
4	561 Load Dispatching	560,093	617,893	10.32%
5	562 Station Expenses	52,418	45,760	-12.70%
6	563 Overhead Line Expenses	38,119	98,680	158.87%
7	564 Underground Line Expenses			
8	565 Transmission of Electricity by Others	1,880,664	2,219,591	18.02%
9	566 Miscellaneous Transmission Expenses	211,058	199,024	-5.70%
10	567 Rents			
11				
12	TOTAL Operation - Transmission	3,004,739	3,411,254	13.53%
13	Maintenance			
14	568 Maintenance Supervision & Engineering	49,328	37,413	-24.15%
15	569 Maintenance of Structures			
16	570 Maintenance of Station Equipment	56,357	75,460	33.90%
17	571 Maintenance of Overhead Lines	71,592	221,444	209.31%
18	572 Maintenance of Underground Lines			
19	573 Maintenance of Misc. Transmission Plant			
20				
21	TOTAL Maintenance - Transmission	177,277	334,317	88.58%
22				
23	<b>TOTAL Transmission Expenses</b>	<b>3,182,016</b>	<b>3,745,571</b>	<b>17.71%</b>
24	Distribution Expenses			
25	Operation			
27	580 Operation Supervision & Engineering	499,815	544,819	9.00%
28	581 Load Dispatching	81,630	70,432	-13.72%
29	582 Station Expenses	266,586	247,069	-7.32%
30	583 Overhead Line Expenses	443,360	502,510	13.34%
31	584 Underground Line Expenses	239,531	231,287	-3.44%
32	585 Street Lighting & Signal System Expenses	5,281	853	-83.85%
33	586 Meter Expenses	282,883	223,294	-21.06%
34	587 Customer Installations Expenses	35,678	33,448	-6.25%
35	588 Miscellaneous Distribution Expenses	311,424	328,425	5.46%
36	589 Rents	24,432	24,600	0.69%
37				
38	TOTAL Operation - Distribution	2,190,620	2,206,737	0.74%
39	Maintenance			
40	590 Maintenance Supervision & Engineering	24,135	21,208	-12.13%
41	591 Maintenance of Structures			
42	592 Maintenance of Station Equipment	71,775	65,118	-9.27%
43	593 Maintenance of Overhead Lines	908,489	813,569	-10.45%
44	594 Maintenance of Underground Lines	142,573	104,629	-26.61%
45	595 Maintenance of Line Transformers	7,897	12,696	60.77%
46	596 Maintenance of Street Lighting, Signal Systems	85,824	100,707	17.34%
47	597 Maintenance of Meters	32,315	33,937	5.02%
48	598 Maintenance of Miscellaneous Dist. Plant	27,223	28,203	3.60%
49				
50	TOTAL Maintenance - Distribution	1,300,231	1,180,067	-9.24%
51				
52	<b>TOTAL Distribution Expenses</b>	<b>3,490,851</b>	<b>3,386,804</b>	<b>-2.98%</b>

**MONTANA OPERATION & MAINTENANCE EXPENSES\***

Year: 2001

Account Number & Title		Last Year	This Year	% Change
1	Customer Accounts Expenses			
2	Operation			
3	901 Supervision	83,052	84,167	1.34%
4	902 Meter Reading Expenses	611,258	695,438	13.77%
5	903 Customer Records & Collection Expenses	1,797,794	1,927,013	7.19%
6	904 Uncollectible Accounts Expenses	555,731	1,217,136	119.02%
7	905 Miscellaneous Customer Accounts Expenses	639,255	760,043	18.90%
8				
9	TOTAL Customer Accounts Expenses	3,687,090	4,683,797	27.03%
10	Customer Service & Information Expenses			
11	Operation			
12	907 Supervision	63,759	54,231	-14.94%
13	908 Customer Assistance Expenses	771,216	746,674	-3.18%
14	909 Informational & Instructional Adv. Expenses	6,255	6,520	4.24%
15	910 Miscellaneous Customer Service & Info. Exp.	26,941	33,022	22.57%
16				
17				
18	TOTAL Customer Service & Info Expenses	868,171	840,447	-3.19%
19	Sales Expenses			
20	Operation			
21	911 Supervision			
22	912 Demonstrating & Selling Expenses			
23	913 Advertising Expenses			
24	916 Miscellaneous Sales Expenses			
25				
26				
27	TOTAL Sales Expenses			
28	Administrative & General Expenses			
29	Operation			
30	920 Administrative & General Salaries	3,511,096	6,626,091	88.72%
31	921 Office Supplies & Expenses	1,182,023	879,859	-25.56%
32	922 (Less) Administrative Expenses Transferred - Cr.	(99,490)	(285,664)	-187.13%
33	923 Outside Services Employed	1,074,092	984,889	-8.30%
34	924 Property Insurance	222,796	309,317	38.83%
35	925 Injuries & Damages	700,503	969,334	38.38%
36	926 Employee Pensions & Benefits	(499,304)	(593,436)	-18.85%
37	927 Franchise Requirements			
38	928 Regulatory Commission Expenses	103,441	108,403	4.80%
39	929 (Less) Duplicate Charges - Cr.			
40	930 General Advertising Expenses	250,463	235,576	-5.94%
41	930 Miscellaneous General Expenses	1,362,979	1,695,835	24.42%
42	931 Rents	18,075	17,023	-5.82%
43				
44				
45	TOTAL Operation - Admin. & General	7,826,674	10,947,227	39.87%
46	Maintenance			
47	935 Maintenance of General Plant	173,286	225,250	29.99%
48				
49	TOTAL Administrative & General Expenses	7,999,960	11,172,477	39.66%
50				
51	TOTAL Operation & Maintenance Expenses	83,328,909	106,136,973	27.37%

\*Total Company Operation and Maintenance Expense

**MONTANA TAXES OTHER THAN INCOME**

Year: 2001

	Description of Tax	Last Year	This Year	% Change
1	Payroll Taxes			
2	Superfund			
3	Secretary of State			
4	Montana Consumer Counsel			
5	Montana PSC	2,544	2,192	-13.84%
6	Franchise Taxes			
7	Property Taxes	77,010	58,914	-23.50%
8	Tribal Taxes			
9	Montana Wholesale Energy Tax	1,502	2,035	35.49%
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51	<b>TOTAL MT Taxes Other Than Income</b>	81,056	63,141	-22.10%

**PAYMENTS FOR SERVICES TO PERSONS OTHER THAN EMPLOYEES**

Year: 2001

	Name of Recipient	Nature of Service	Total Company	Montana	% Montana
1	Amounts to Montana Are Not Significant				
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50	<b>TOTAL Payments for Services</b>				



**POLITICAL ACTION COMMITTEES / POLITICAL CONTRIBUTIONS**

Year: 2001

	Description	Total Company	Montana	% Montana
1	NONE			
2				
3				
4				
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49				
50	<b>TOTAL Contributions</b>			

## Pension Costs

Year: 2001

1	Plan Name	Pension Plan of Black Hills Corp., Inc.		
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	<b>Change in Benefit Obligation</b>			
7	Benefit obligation at beginning of year	34,453,955	33,034,284	-4.12%
8	Service cost	719,457	743,553	3.35%
9	Interest Cost	2,564,738	2,401,062	-6.38%
10	Plan participants' contributions			
11	Amendments			
12	Actuarial Gain	182,671	155,837	-14.69%
13	Acquisition/Divestiture	(2,836,565)		100.00%
14	Benefits paid	(1,933,458)	(1,880,781)	2.72%
15	Benefit obligation at end of year	33,150,798	34,453,955	3.93%
16	<b>Change in Plan Assets</b>			
17	Fair value of plan assets at beginning of year	47,993,280	43,544,225	-9.27%
18	Actual return on plan assets	(11,132,904)	6,329,836	156.86%
19	Acquisition/Divestiture	(1,989,337)		100.00%
20	Employer contribution			
21	Plan participants' contributions			
22	Benefits paid	(1,933,458)	(1,880,781)	2.72%
23	Fair value of plan assets at end of year	32,937,581	47,993,280	45.71%
24	<b>Funded Status</b>	(213,217)	13,539,325	6450.02%
25	Unrecognized net actuarial loss	4,721,436	(11,492,063)	-343.40%
26	Unrecognized prior service cost	1,437,470	1,755,790	22.14%
27	Prepaid (accrued) benefit cost	5,945,689	3,803,052	-36.04%
28				
29	<b>Weighted-average Assumptions as of Year End</b>			
30	Discount rate	7.50%	7.50%	
31	Expected return on plan assets	10.50%	10.00%	-4.76%
32	Rate of compensation increase	5.00%	5.00%	
33				
34	<b>Components of Net Periodic Benefit Costs</b>			
35	Service cost	719,457	743,553	3.35%
36	Interest cost	2,564,738	2,401,062	-6.38%
37	Expected return on plan assets	(4,928,393)	(4,917,420)	0.22%
38	Amortization of prior service cost	199,353	199,353	
39	Recognized net actuarial loss	(453,254)	(62,520)	86.21%
40	Net periodic benefit cost	(1,898,099)	(1,635,972)	13.81%
41				
42	<b>Montana Intrastate Costs:</b>			
43	Pension Costs			
44	Pension Costs Capitalized			
45	Accumulated Pension Asset (Liability) at Year End			
46	<b>Number of Company Employees:</b>			
47	Covered by the Plan	729	620	-14.95%
48	Not Covered by the Plan	29	26	-10.34%
49	Active	419	312	-25.54%
50	Retired	154	162	5.19%
51	Deferred Vested Terminated	127	120	-5.51%

## Other Post Employment Benefits (OPEBS)

Item	Current Year	Last Year	% Change
<b>1 Regulatory Treatment:</b>			
2 Commission authorized - most recent			
3 Docket number: _____			
4 Order number: _____			
5 Amount recovered through rates			
<b>6 Weighted-average Assumptions as of Year End</b>			
7 Discount rate	7.50%	7.50%	
8 Expected return on plan assets			
9 Medical Cost Inflation Rate	8.00%	8.50%	6.25%
10 Actuarial Cost Method		Projected Unit Cost	
11 Rate of compensation increase	5.00%	5.00%	
<b>12 List each method used to fund OPEBS (ie: VEBA, 401(h)) and if tax advantaged:</b>			
13			
14			
<b>15 Describe any Changes to the Benefit Plan:</b>			
16			
<b>17 TOTAL COMPANY</b>			
<b>18 Change in Benefit Obligation</b>			
19 Benefit obligation at beginning of year	3,054,649	2,606,742	-14.66%
20 Service cost	207,819	204,444	-1.62%
21 Interest Cost	413,551	427,253	3.31%
22 Plan participants' contributions			
23 Amendments			
24 Actuarial Gain	6,030	187,769	3013.91%
25 Acquisition			
26 Benefits paid	(253,535)	(371,559)	-46.55%
27 Benefit obligation at end of year	3,428,514	3,054,649	-10.90%
<b>28 Change in Plan Assets</b>			
29 Fair value of plan assets at beginning of year			
30 Actual return on plan assets			
31 Acquisition			
32 Employer contribution			
33 Plan participants' contributions			
34 Benefits paid			
35 Fair value of plan assets at end of year			
<b>36 Funded Status</b>	(3,428,514)	(3,054,649)	10.90%
37 Unrecognized net actuarial loss			
38 Unrecognized prior service cost			
39 Prepaid (accrued) benefit cost	(3,428,514)	(3,054,649)	10.90%
<b>40 Components of Net Periodic Benefit Costs</b>			
41 Service cost	207,819	204,444	-1.62%
42 Interest cost	413,551	427,253	3.31%
43 Expected return on plan assets			
44 Amortization of prior service cost			
45 Recognized net actuarial loss	146,232	187,769	28.40%
46 Net periodic benefit cost	767,602	819,466	6.76%
<b>47 Accumulated Post Retirement Benefit Obligation</b>			
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: 2001

	Item	Current Year	Last Year	% Change
1	<b>Number of Company Employees:</b>			
2	Covered by the Plan	514	446	-13.23%
3	Not Covered by the Plan			
4	Active	366	322	-12.02%
5	Retired	148	124	-16.22%
6	Spouses/Dependants covered by the Plan			
7	<b>Montana</b>			
8	<b>Change in Benefit Obligation</b>			
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	<b>Change in Plan Assets</b>			
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	<b>Funded Status</b>			
27	Unrecognized net actuarial loss			
28	Unrecognized prior service cost			
29	Prepaid (accrued) benefit cost			
30	<b>Components of Net Periodic Benefit Costs</b>			
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	<b>Accumulated Post Retirement Benefit Obligation</b>			
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	<b>Montana Intrastate Costs:</b>			
47	Pension Costs			
48	Pension Costs Capitalized			
49	Accumulated Pension Asset (Liability) at Year End			
50	<b>Number of Montana Employees:</b>			
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 and Chief Executive Officer of the Company and Subsidiaries	440,901	233,955	396,608	1,071,464	553,799	93%
2	Everett E. Hoyt President and Chief Operating Officer of the Company	302,847	92,430	192,601	587,878	311,772	89%
3	Thomas M. Ohlmacher President and Chief Operating Officer of Independent Energy	429,904	69,750	198,850	698,504	187,393	273%
4	David R. Emery Vice-President Fuel Resources	180,574	60,390	174,812	415,776	174,407	138%
5	Roxann R. Basham Vice-President Controller, Principal Accounting Officer and Assistant Secretary	170,546	52,920	191,447	414,913	168,883	146%

## BALANCE SHEET

Year: 2001

	Account Number & Title	Last Year	This Year	% Change
1	<b>Assets and Other Debits</b>			
2	Utility Plant			
3	101 Electric Plant in Service	495,076,985	533,516,159	-7%
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	36,951,342	12,031,104	207%
9	107 Construction Work in Progress - Electric	4,002,973	29,666,488	-87%
10	108 (Less) Accumulated Depreciation	(181,259,747)	(195,061,812)	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.	(1,463,575)	(1,614,979)	9%
14	120 Nuclear Fuel (Net)			
15	<b>TOTAL Utility Plant</b>	<b>358,178,286</b>	<b>383,407,268</b>	<b>-7%</b>
16				
17	<b>Other Property &amp; Investments</b>			
18	121 Nonutility Property	5,618	5,618	
19	122 (Less) Accum. Depr. & Amort. for Nonutil. Pr	(3,956)	(3,956)	
20	123 Investments in Associated Companies			
21	123.1 Investments in Subsidiary Companies	124,837,659	38,105,862	228%
22	124 Other Investments	4,229,658	3,894,712	9%
23	125 Sinking Funds			
24	<b>TOTAL Other Property &amp; Investments</b>	<b>129,068,979</b>	<b>42,002,236</b>	<b>207%</b>
25				
26	<b>Current &amp; Accrued Assets</b>			
27	131 Cash	1,951,700	1,082,179	80%
28	132-134 Special Deposits			
29	135 Working Funds	3,300	3,300	
30	136 Temporary Cash Investments			
31	141 Notes Receivable	206,086	278,447	-26%
32	142 Customer Accounts Receivable	12,735,798	12,096,921	5%
33	143 Other Accounts Receivable	793,336	482,166	65%
34	144 (Less) Accum. Provision for Uncollectible Ac	(427,270)	(867,575)	51%
35	145 Notes Receivable - Associated Companie	87,834,612	6,919,619	1169%
36	146 Accounts Receivable - Associated Compa	2,120,453	3,115,976	-32%
37	151 Fuel Stock	2,091,675	1,488,098	41%
38	152 Fuel Stock Expenses Undistributed			
39	153 Residuals			
40	154 Plant Materials and Operating Supplies	7,063,649	7,064,436	0%
41	155 Merchandise			
42	156 Other Material & Supplies	470	130	262%
43	157 Nuclear Materials Held for Sale			
44	163 Stores Expense Undistributed	67,028	(1,055)	6453%
45	165 Prepayments	4,011,440	6,037,075	-34%
46	171 Interest & Dividends Receivable			
47	172 Rents Receivable			
48	173 Accrued Utility Revenues			
49	174 Miscellaneous Current & Accrued Assets			
50	<b>TOTAL Current &amp; Accrued Assets</b>	<b>118,452,277</b>	<b>37,699,717</b>	<b>214%</b>

## BALANCE SHEET

Year: 2001

	Account Number & Title	Last Year	This Year	% Change
1				
2	<b>Assets and Other Debits (cont.)</b>			
3				
4	<b>Deferred Debits</b>			
5				
6	181 Unamortized Debt Expense	1,443,516	1,310,425	10%
7	182.1 Extraordinary Property Losses			
8	182.2 Unrecovered Plant & Regulatory Study Costs			
9	183 Prelim. Survey & Investigation Charges	17,223	27,043	-36%
10	184 Clearing Accounts	15,089,883	2,743,757	450%
11	185 Temporary Facilities			
12	186 Miscellaneous Deferred Debits	276,859	567,907	-51%
13	187 Deferred Losses from Disposition of Util. Plant			
14	188 Research, Devel. & Demonstration Expend.			
15	189 Unamortized Loss on Reacquired Debt	345,225	312,437	10%
16	190 Accumulated Deferred Income Taxes	10,378,078	10,858,173	-4%
17	<b>TOTAL Deferred Debits</b>	<b>27,550,784</b>	<b>15,819,742</b>	<b>74%</b>
18				
19	<b>TOTAL Assets &amp; Other Debits</b>	<b>633,250,326</b>	<b>478,928,963</b>	<b>32%</b>
	Account Title	Last Year	This Year	% Change
20				
21	<b>Liabilities and Other Credits</b>			
22				
23	<b>Proprietary Capital</b>			
24				
25	201 Common Stock Issued	23,416,396	23,416,396	
26	202 Common Stock Subscribed			
27	204 Preferred Stock Issued			
28	205 Preferred Stock Subscribed			
29	207 Premium on Capital Stock	79,827,830	83,462,756	-4%
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)	
33	215 Appropriated Retained Earnings			
34	216 Unappropriated Retained Earnings	191,682,614	117,351,071	63%
35	217 (Less) Reacquired Capital Stock			
36	<b>TOTAL Proprietary Capital</b>	<b>292,424,958</b>	<b>221,728,341</b>	<b>32%</b>
37				
38	<b>Long Term Debt</b>			
39				
40	221 Bonds	133,345,317	130,316,277	2%
41	222 (Less) Reacquired Bonds			
42	223 Advances from Associated Companies			
43	224 Other Long Term Debt	28,411,370	27,862,525	2%
44	225 Unamortized Premium on Long Term Debt			
45	226 (Less) Unamort. Discount on L-Term Debt-Dr.			
46	<b>TOTAL Long Term Debt</b>	<b>161,756,687</b>	<b>158,178,802</b>	<b>2%</b>



## BALANCE SHEET

Year: 2001

	Account Number & Title	Last Year	This Year	% Change
1				
2	<b>Total Liabilities and Other Credits (cont.)</b>			
3				
4	<b>Other Noncurrent Liabilities</b>			
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	<b>TOTAL Other Noncurrent Liabilities</b>			
13				
14	<b>Current &amp; Accrued Liabilities</b>			
15				
16	231 Notes Payable	86,000,000		#DIV/0!
17	232 Accounts Payable	9,124,676	8,743,323	4%
18	233 Notes Payable to Associated Companies			
19	234 Accounts Payable to Associated Compan	1,262,518	1,646,888	-23%
20	235 Customer Deposits	435,471	458,145	-5%
21	236 Taxes Accrued	8,735,415	8,308,422	5%
22	237 Interest Accrued	3,792,547	3,571,719	6%
23	238 Dividends Declared			
24	239 Matured Long Term Debt			
25	240 Matured Interest			
26	241 Tax Collections Payable	449,022	452,975	-1%
27	242 Miscellaneous Current & Accrued Liabiliti	4,014,855	6,700,944	-40%
28	243 Obligations Under Capital Leases - Current			
29	<b>TOTAL Current &amp; Accrued Liabilities</b>	113,814,504	29,882,416	281%
30				
31	<b>Deferred Credits</b>			
32				
33	252 Customer Advances for Construction	994,935	1,155,309	-14%
34	253 Other Deferred Credits	12,365,583	13,677,257	-10%
35	255 Accumulated Deferred Investment Tax C	2,530,290	2,047,520	24%
36	256 Deferred Gains from Disposition Of Util. Plant			
37	257 Unamortized Gain on Reacquired Debt			
38	281-283 Accumulated Deferred Income Taxes	49,363,369	52,259,318	-6%
39	<b>TOTAL Deferred Credits</b>	65,254,177	69,139,404	-6%
40				
41	<b>TOTAL LIABILITIES &amp; OTHER CREDITS</b>	633,250,326	478,928,963	32%

**MONTANA PLANT IN SERVICE (ASSIGNED & ALLOCATED)**

Year: 2001

	Account Number & Title	Last Year	This Year	% Change
1				
2	<b>Intangible Plant</b>			
3				
4	301 Organization			
5	302 Franchises & Consents			
6	303 Miscellaneous Intangible Plant			
7				
8	<b>TOTAL Intangible Plant</b>			
9				
10	<b>Production Plant</b>			
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	<b>TOTAL Steam Production Plant</b>			
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	<b>TOTAL Nuclear Production Plant</b>			
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	<b>TOTAL Hydraulic Production Plant</b>			

**MONTANA PLANT IN SERVICE (ASSIGNED & ALLOCATED)**

Year: 2001

	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	<b>TOTAL Other Production Plant</b>			
15				
16	<b>TOTAL Production Plant</b>			
17				
18	<b>Transmission Plant</b>			
19				
20	350 Land & Land Rights	20,312	20,312	
21	352 Structures & Improvements			
22	353 Station Equipment			
23	354 Towers & Fixtures			
24	355 Poles & Fixtures	244,889	244,889	0%
25	356 Overhead Conductors & Devices	300,274	300,275	0%
26	357 Underground Conduit			
27	358 Underground Conductors & Devices			
28	359 Roads & Trails			
29				
30	<b>TOTAL Transmission Plant</b>	565,475	565,475	0%
31				
32	<b>Distribution Plant</b>			
33				
34	360 Land & Land Rights	5,992	5,992	
35	361 Structures & Improvements	5,970	5,970	
36	362 Station Equipment	415,728	414,828	0%
37	363 Storage Battery Equipment			
38	364 Poles, Towers & Fixtures	124,322	120,937	3%
39	365 Overhead Conductors & Devices	112,990	109,732	3%
40	366 Underground Conduit	909	909	
41	367 Underground Conductors & Devices	15,834	15,834	
42	368 Line Transformers	37,696	37,009	2%
43	369 Services	3,436	3,367	2%
44	370 Meters	6,278	6,278	
45	371 Installations on Customers' Premises			
46	372 Leased Property on Customers' Premises			
47	373 Street Lighting & Signal Systems			
48				
49	<b>TOTAL Distribution Plant</b>	729,155	720,856	

**MONTANA PLANT IN SERVICE (ASSIGNED & ALLOCATED)**

Year: 2001

	Account Number & Title	Last Year	This Year	% Change
1				
2	<b>General Plant</b>			
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	<b>TOTAL General Plant</b>	14,732	14,732	
17				
18	<b>TOTAL Electric Plant in Service</b>	1,309,362	1,301,063	

**MONTANA DEPRECIATION SUMMARY**

Year: 2001

	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	186,983	188,152	2.12%
7	Distribution	720,856	231,362	231,937	2.78%
8	General	14,732	5,068	5,686	7.18%
9	<b>TOTAL</b>	<b>1,301,063</b>	<b>423,413</b>	<b>425,776</b>	<b>0</b>

**MONTANA MATERIALS & SUPPLIES (ASSIGNED & ALLOCATED)**

SCHEDULE 21

	Account	Last Year Bal.	This Year Bal.	%Change
1				
2	151 Fuel Stock	N/A		#VALUE!
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	<b>TOTAL Materials &amp; Supplies</b>			

**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	<b>TOTAL</b>	<b>100.00%</b>		<b>11.73%</b>
9				
10	Actual at Year End			
11				
12	Common Equity	58.85%		
13	Preferred Stock			
14	Long Term Debt	41.15%		
15	Other			
16	<b>TOTAL</b>	<b>100.00%</b>		

## STATEMENT OF CASH FLOWS

Year: 2001

	Description	Last Year	This Year	% Change
1				
2	Increase/(decrease) in Cash & Cash Equivalents:			
3				
4	<b>Cash Flows from Operating Activities:</b>			
5	Net Income	53,363,894	48,106,855	11%
6	Depreciation	14,814,410	15,621,647	-5%
7	Amortization	151,404	151,404	
8	Deferred Income Taxes - Net	1,145,879	1,057,840	8%
9	Investment Tax Credit Adjustments - Net	(491,703)	(482,770)	-2%
10	Change in Operating Receivables - Net	5,682,264	322,468	1662%
11	Change in Materials, Supplies & Inventories - Net	(2,065,055)	671,213	-408%
12	Change in Operating Payables & Accrued Liabilities - Net	9,944,051	2,067,912	381%
13	Allowance for Funds Used During Construction (AFUDC)	(492,662)	(403,100)	-22%
14	Change in Other Assets & Liabilities - Net	(14,294,024)	13,652,641	-205%
15	Other Operating Activities (explained on attached page)	(16,185,868)	(2,868,448)	-464%
16	<b>Net Cash Provided by/(Used in) Operating Activities</b>	<b>51,572,590</b>	<b>77,897,662</b>	<b>-34%</b>
17				
18	<b>Cash Inflows/Outflows From Investment Activities:</b>			
19	Construction/Acquisition of Property, Plant and Equipment	(25,464,628)	(40,909,632)	38%
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	(72,965,857)	80,914,993	-190%
24	Contributions and Advances from Affiliates			
25	Disposition of Investments in and Advances to Affiliates			
26	Other Investing Activities (explained on attached page)	5,344,561		#DIV/0!
27	<b>Net Cash Provided by/(Used in) Investing Activities</b>	<b>(93,085,924)</b>	<b>40,005,361</b>	<b>-333%</b>
28				
29	<b>Cash Flows from Financing Activities:</b>			
30	Proceeds from Issuance of:			
31	Long-Term Debt	1,078,000		#DIV/0!
32	Preferred Stock			
33	Common Stock	38,345,495		#DIV/0!
34	Other:			
35	Net Increase in Short-Term Debt	26,000,000	(86,000,000)	130%
36	Other:			
37	Payment for Retirement of:			
38	Long-Term Debt	(1,351,259)	(3,577,886)	62%
39	Preferred Stock			
40	Common Stock			
41	Other:			
42	Net Decrease in Short-Term Debt			
43	Dividends on Preferred Stock	(77,670)		#DIV/0!
44	Dividends on Common Stock	(24,324,172)	(29,194,658)	17%
45	Other Financing Activities (explained on attached page)			
46	<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>39,670,394</b>	<b>(118,772,544)</b>	<b>133%</b>
47				
48	<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>(1,842,940)</b>	<b>(869,521)</b>	<b>-112%</b>
49	<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>3,797,940</b>	<b>1,955,000</b>	<b>94%</b>
50	<b>Cash and Cash Equivalents at End of Year</b>	<b>1,955,000</b>	<b>1,085,479</b>	<b>80%</b>

**LONG TERM DEBT** Year: 2001

	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		Jun-88	Jun-18	6,000,000	5,906,578	4,840,000	9.64%	475,124	9.82%
3	Y	May-91	May-21	35,000,000	34,790,305	33,300,000	9.41%	3,186,990	9.57%
4	Z	Jun-91	Sep-03	13,806,000	13,656,287	2,176,277	9.10%	247,218	11.36%
5	AA	Sep-94	Sep-24	45,000,000	44,243,911	45,000,000	8.44%	3,760,165	8.36%
6	AB	Feb-95	Feb-10	30,000,000	29,766,300	30,000,000	8.12%	2,451,386	8.17%
7	AC	Jul-95	Jul-02	15,000,000	14,850,666	15,000,000	6.87%	996,333	6.64%
8	AD								
9									
10	1992 Pollution Control								
11	Revenue Bonds:								
12	Lawrence County SD	Jun-92	Jun-10	5,850,000	5,753,590	5,850,000	6.81%	397,383	6.79%
13	Pennington County SD	Jun-92	Jun-10	2,050,000	1,969,993	2,050,000	6.97%	141,526	6.90%
14	Campbell County WY	Jun-92	Jun-10	1,550,000	1,473,355	1,550,000	7.05%	108,334	6.99%
15	Weston County WY	Jun-92	Jun-10	2,850,000	2,770,414	2,850,000	6.89%	195,505	6.86%
16									
17									
18	1994A Environ Improv B.	Jun-94	Jun-24	3,000,000	2,930,057	2,855,000	4.35%	91,646	3.21%
19	1994 A Construction Fund								
20	1994 Gillette Refund Bond	Jul-94	Jun-24	12,200,000	11,888,427	12,200,000	7.70%	924,750	7.58%
21									
22	Bear Paw Energy Note Payable	Jun-00	May-12	1,078,000	1,078,000	507,525	13.70%	95,035	18.73%
23									
24									
25									
26									
27									
28									
29									
30									
31									
32	<b>TOTAL</b>			173,384,000	171,077,883	158,178,802		13,071,395	8.26%

**PREFERRED STOCK**

Year: 2001

	Series	Issue Date Mo./Yr.	Shares Issued	Par Value	Call Price	Net Proceeds	Cost of Money	Principal Outstanding	Annual Cost	Embed. Cost %
1	NONE									
2										
3										
4										
5										
6										
7										
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10										
11										
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31										
32	<b>TOTAL</b>									



**COMMON STOCK** Year: 2001

		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	22,922,002	13.12						
5									
6	February	22,944,080	9.65						
7									
8	March	22,954,503	9.48	0.76	0.28		45.74	31.00	
9									
10	April	23,674,996	9.44						
11									
12	May	26,380,027	8.83						
13									
14	June	26,398,044	8.72	0.66	0.28		58.50	39.50	
15									
16	July	26,398,184	8.89						
17									
18	August	26,413,284	8.97						
19									
20	September	26,459,531	8.84	0.30	0.28		45.55	27.76	
21									
22	October	26,468,847	8.89						
23									
24	November	26,499,448	8.96						
25									
26	December	26,595,645	8.51	0.12	0.28		34.20	26.00	
27									
28									
29									
30									
31									
32	TOTAL Year End			1.833	1.12	38.90%	33.84		18.5

**MONTANA EARNED RATE OF RETURN**

Year: 2001

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

## MONTANA COMPOSITE STATISTICS

Year: 2001

	Description	Amount
1		
2	Plant (Intrastate Only) (000 Omitted)	
3		
4	101 Plant in Service	1,301
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	(425)
11	252 Contributions in Aid of Construction	
12		
13	<b>NET BOOK COSTS</b>	876
14		
15	Revenues & Expenses (000 Omitted)	
16		
17	400 Operating Revenues	647
18		
19	403 - 407 Depreciation & Amortization Expenses	
20	Federal & State Income Taxes	
21	Other Taxes	
22	Other Operating Expenses	
23	TOTAL Operating Expenses	
24		
25	Net Operating Income	647
26		
27	415-421.1 Other Income	
28	421.2-426.5 Other Deductions	
29		
30	<b>NET INCOME</b>	647
31		
32	Customers (Intrastate Only)	
33		
34	Year End Average:	
35	Residential	11
36	Commercial	20
37	Industrial	2
38	Other	
39		
40	<b>TOTAL NUMBER OF CUSTOMERS</b>	33
41		
42	Other Statistics (Intrastate Only)	
43		
44	Average Annual Residential Use (Kwh)	6,314
45	Average Annual Residential Cost per (Kwh) (Cents)	7.46
46	* Avg annual cost = [(cost per Kwh x annual use) + (mo. svc chrg x 12)]/annual use	
47	Average Residential Monthly Bill	39.24
48	Gross Plant per Customer	39,426

Year: 2001

**MONTANA CUSTOMER INFORMATION**

	City/Town	Population (Include Rural)	Residential Customers	Commercial Customers	Industrial & Other Customers	Total Customers
1	Carter and Powder River Counties		11	20	2	33
2						
3						
4						
5						
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31						
32	<b>TOTAL Montana Customers</b>		11	20	2	33

**MONTANA EMPLOYEE COUNTS**

Year: 2001

	Department	Year Beginning	Year End	Average
1	N/A			
2				
3				
4				
5				
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49				
50	<b>TOTAL Montana Employees</b>			

**MONTANA CONSTRUCTION BUDGET (ASSIGNED & ALLOCATED)**

Year: 2002

	Project Description	Total Company	Total Montana
1	N/A		
2			
3			
4			
5			
6			
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49			
50	<b>TOTAL</b>		

**TOTAL SYSTEM & MONTANA PEAK AND ENERGY**

Year: 2001

**System**

	Peak Day of Month	Peak Hour	Peak Day Volumes Megawatts	Total Monthly Volumes Energy (Mwh)	Non-Requirements Sales For Resale (Mwh)	
1	Jan.	13	1200	297	275,359	81,215
2	Feb.	9	0800	311	240,969	78,310
3	Mar.	14	1900	270	263,306	97,641
4	Apr.	11	1000	265	266,784	104,008
5	May	14	1500	289	260,267	100,187
6	Jun.	28	1600	347	248,709	88,901
7	Jul.	5	1600	360	274,471	73,550
8	Aug.	7	1400	392	261,540	62,565
9	Sep.	5	1400	351	231,903	74,442
10	Oct.	25	0900	274	237,871	73,381
11	Nov.	27	1900	325	218,889	65,396
12	Dec.	18	1900	309	251,129	65,433
13	<b>TOTAL</b>				3,031,197	965,029

**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.	*Peak information maintained on a total system basis only.				
18	May					
19	Jun.					
20	Jul.					
21	Aug.					
22	Sep.					
23	Oct.					
24	Nov.					
25	Dec.					
26	<b>TOTAL</b>					

**TOTAL SYSTEM Sources & Disposition of Energy**

SCHEDULE 33

	Sources	Megawatthours	Disposition	Megawatthours
1	Generation (Net of Station Use)	1,830,102		
2	Steam		Sales to Ultimate Consumers (Include Interdepartmental)	1,568,453
3	Nuclear			
4	Hydro - Conventional		Requirements Sales for Resale	443,901
5	Hydro - Pumped Storage			
6	Other	440,368		
7	(Less) Energy for Pumping			
8	<b>NET Generation</b>	2,270,470	Non-Requirements Sales for Resale	965,029
9	Purchases	750,635		
10	Power Exchanges			
11	Received	18,979	Energy Furnished Without Charge	
12	Delivered	(10,120)		
13	<b>NET Exchanges</b>	8,859		
14	Transmission Wheeling for Others		Energy Used Within Electric Utility	6,948
15	Received	1,831,994		
16	Delivered	(1,830,761)		
17	<b>NET Transmission Wheeling</b>	1,233	Total Energy Losses	46,866
18	Transmission by Others Losses			
19	<b>TOTAL</b>	3,031,197	<b>TOTAL</b>	3,031,197

**SOURCES OF ELECTRIC SUPPLY**

Year: 2001

	Type	Plant Name	Location	Annual Peak (MW)	Annual Energy (Mwh)
1	Thermal	Ben French	Rapid City, SD	98	203,566
2					
3	Thermal	Ben French	Rapid City, SD	10	11,843
4					
5	Thermal	Ben French	Rapid City, SD	24	152,011
6					
7	Thermal	Osage	Osage, WY	35	244,221
8					
9	Thermal	Wyodak	Gillette, WY	69	563,233
10					
11	Thermal	Neil Simpson Co	Gillette, WY	112	870,637
12					
13	Thermal	Neil Simpson Co	Gillette, WY	39	226,029
14					
15	Purchases	See Schedule 33			750,635
16					
17	Wheeling	See Schedule 33			1,233
18					
19	Total Interchange	See Schedule 33			8,859
20					
21					
22					
23					
24					
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32					
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35					
36					
37					
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39					
40					
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45					
46					
47					
48					
49	<b>Total</b>			387	3,032,267



		MONTANA CONSERVATION & DEMAND SIDE MANAGEMENT PROGRAMS					Year: 2001	
	Program Description	Current Year Expenditures	Last Year Expenditures	% Change	Planned Savings (MW & MWH)	Achieved Savings (MW & MWH)	Difference (MW & MWH)	
1	N/A							
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
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26								
27								
28								
29								
30								
31								
32	<b>TOTAL</b>							

**MONTANA CONSUMPTION AND REVENUES** Year: 2001

	<b>Sales of Electricity</b>		<b>Operating Revenues</b>		<b>MegaWatt Hours Sold</b>		<b>Avg. No. of Customers</b>	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1	Residential	\$5,180	\$5,937	69	82	11	12	
2	Commercial - Small	18,550	16,733	166	139	20	21	
3	Commercial - Large	622,802	606,419	13,225	13,186	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	<b>TOTAL</b>	\$646,532	\$629,089	13,460	13,407	33	35	

# BLACK HILLS CORPORATION ORGANIZATIONAL CHART

MARCH 8, 2002

**BLACK HILLS CORPORATION**  
(Holding Company)

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graph TD; Root["BLACK HILLS CORPORATION (Holding Company)"] --- Division1["BLACK HILLS ENERGY, INC. (formerly Black Hills Energy Ventures, Inc.)"]; Root --- Division2["BLACK HILLS POWER, INC."]; Division1 --- Sub1["WYODAK RESOURCES DEVELOPMENT CORPORATION"]; Division1 --- Sub2["BLACK HILLS ENERGY CAPITAL, INC."]; Sub2 --- Chart1["CHART ONE"]; Sub2 --- Chart2["CHART TWO"];
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**BLACK HILLS ENERGY, INC.**  
(formerly Black Hills Energy Ventures, Inc.)

**WYODAK RESOURCES DEVELOPMENT CORPORATION**

**CHART ONE**

**BLACK HILLS POWER, INC.**

**BLACK HILLS ENERGY CAPITAL, INC.**

**CHART TWO**