

BLACK HILLS CORP /SD/
Form U-9C-3
May 27, 2005

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM U-9C-3

QUARTERLY REPORT PURSUANT TO RULE 58

For the Quarter Ended March 31, 2005

Black Hills Corporation

(Name of registered holding company)

625 Ninth Street, Rapid City, South Dakota 57701

(Address of principal executive offices)

Inquiries concerning this Form U-9C-3 should be directed to:

Mark T. Thies
Black Hills Corporation
625 Ninth Street

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Rapid City, SD 57701
(605) 721-1700

ITEM 1 ORGANIZATION CHART

| | Name of Reporting Company | Energy or Gas-Related Company | Date of Organization | State of Organization | Percentage of Voting Securities Held | Type of Business |
|-------------|------------------------------------|-------------------------------|----------------------|-----------------------|--------------------------------------|---|
| 1. | Black Hills Corporation* | N/A | 04/28/2000 | South Dakota | N/A | Holding company |
| 1.1 | Black Hills Energy, Inc.* | N/A | 01/29/2001 | South Dakota | 100% | Intermediate non-utility holding company for Black Hills Corporation's EWGs, QFs, natural gas/oil/coal companies |
| 1.1.1 | Black Hills Generation, Inc.* | N/A | 01/05/2000 | Delaware | 100% | Intermediate non-utility holding company for Black Hills Corporation EWGs and QFs and other businesses related to the ownership and operation of EWGs and QFs |
| 1.1.1.2 | Black Hills Idaho Operations, LLC | Energy-related | 10/20/1998 | Delaware | 100% | Provides operating services to a qualifying facility |
| 1.1.1.3 | Black Hills Nevada Operations, LLC | Energy-related | 06/26/2001 | Delaware | 100% | Operates qualifying facility |
| 1.1.1.4 | Black Hills Ontario, LLC | Energy-related | 12/23/1996 | Delaware | 50% | Qualifying facility |
| 1.1.1.5 | Black Hills Southwest, LLC* | N/A | 06/11/2001 | Delaware | 100% | Intermediate non-utility subsidiary |
| 1.1.1.5.1 | Black Hills Nevada, LLC* | N/A | 08/19/1999 | Delaware | 100% | Intermediate non-utility subsidiary |
| 1.1.1.5.1.1 | Desert Arc I, LLC | N/A | 08/19/1999 | Delaware | 50% | Intermediate non-utility holding company |
| 1.1.1.5.1.2 | Desert Arc II, LLC | N/A | 08/19/1999 | Delaware | 50% | Intermediate non-utility holding company |

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| | | | | | | |
|---------------|--|----------------|------------|----------|------|--|
| 1.1.1.5.1.1.1 | Las Vegas Cogeneration Limited Partnership | Energy-related | 02/01/1991 | Nevada | 50% | Qualifying facility |
| 1.1.1.5.1.2.1 | | | | | | |
| 1.1.1.5.1.3 | Sunco, Ltd., a Limited Liability Company | Energy-related | 02/10/1994 | Nevada | 100% | Qualifying facility thermal host |
| 1.1.2 | Wyodak Resources Development Corp. | Energy-related | 07/23/1956 | Delaware | 100% | Coal mining company |
| 1.1.3 | Black Hills Exploration and Production, Inc. | Energy-related | 11/03/1977 | Wyoming | 100% | Oil and natural gas exploration and production |
| 1.1.3.1 | Black Hills Gas Holdings Corp. (fka Mallon Resources Corporation)* | N/A | 07/18/1988 | Colorado | 100% | Intermediate non-utility holding company |
| 1.1.3.1.1 | Black Hills Gas Resources, Inc. (fka Mallon Oil Company) | Energy-related | 05/31/1978 | Colorado | 100% | Oil and gas exploration and production and owns a natural gas gathering pipeline |

*System Company that directly/indirectly holds securities of Reporting Company

| | Name of Reporting Company | Energy or Gas-Related Company | Date of Organization | State of Organization | Percentage of Voting Securities Held | Type of Business |
|-----------|---|--------------------------------------|-----------------------------|------------------------------|---|--|
| 1.1.3.1.2 | Black Hills Cabresto Pipeline, LLC | Energy-related | 08/28/2003 | Delaware | 100% | Owns and operates 12-mile natural gas pipeline in New Mexico |
| 1.1.4 | Black Hills Energy Resources, Inc. | Energy-related | 06/25/1997 | South Dakota | 100% | Markets energy commodities |
| 1.1.4.1 | Black Hills Operating Company, LLC | Energy-related | 02/01/2002 | Delaware | 100% | Operates and manages oil pipelines and terminals in Texas |
| 1.1.4.2 | Black Hills Energy Pipeline, LLC* | N/A | 07/20/1999 | Delaware | 100% | Intermediate non-utility holding company |
| 1.1.4.3 | Black Hills Millennium Pipeline, Inc.* | N/A | 07/13/1999 | South Dakota | 100% | Intermediate non-utility subsidiary |
| 1.1.4.2.1 | Millennium Pipeline Company, L.P. | Energy-related | 08/19/1999 | Texas | 100% | Owns and operates an oil pipeline in Texas |
| 1.1.4.3.1 | | | | | | |
| 1.1.4.4 | Black Hills Energy Terminal, LLC* | N/A | 09/29/1999 | South Dakota | 100% | Intermediate non-utility subsidiary |
| 1.1.4.5 | Black Hills Millennium Terminal, Inc.* | N/A | 09/17/1999 | South Dakota | 100% | Intermediate non-utility subsidiary |
| 1.1.4.4.1 | Millennium Terminal Company, L.P. | Energy-related | 01/21/2000 | Texas | 100% | Operates an oil terminal and storage facility |
| 1.1.4.5.1 | | | | | | |
| 1.1.4.6 | Black Hills Kilgore Energy Pipeline, LLC* | N/A | 02/01/2002 | Delaware | 100% | Intermediate non-utility subsidiary |
| 1.1.4.7 | Black Hills Kilgore Pipeline, Inc.* | N/A | 02/01/2002 | Delaware | 100% | Intermediate non-utility subsidiary |

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| | | | | | | |
|-----------|--|----------------|------------|--------------|------|--|
| 1.1.4.6.1 | Black Hills Kilgore Pipeline Company, L.P. | Energy-related | 03/14/2002 | Texas | 100% | Owns and operates an oil pipeline in Texas |
| 1.1.4.7.1 | | | | | | |
| 1.1.5 | Enserco Energy Inc. | Energy-related | 08/16/1996 | South Dakota | 100% | Markets energy commodities |

*System Company that directly/indirectly holds securities of Reporting Company

ITEM 2 ISSUANCES AND RENEWALS OF SECURITIES AND CAPITAL CONTRIBUTIONS

For the three month period ended March 31, 2005 (in thousands):

| <u>Company Issuing Security</u> | <u>Type of Security Issued</u> | <u>Principal Amount of Security</u> | <u>Issue or Renewal</u> | <u>Cost of Capital</u> | <u>Person to Whom Security Was Issued</u> | <u>Collateral Given With Security</u> | <u>Consideration Received for Each Security</u> |
|------------------------------------|--------------------------------|-------------------------------------|-------------------------|------------------------|--|---------------------------------------|---|
| Black Hills Idaho Operations, LLC | ST Debt | \$ 94 | Issue | 4.12% | Black Hills Generation, Inc. | None | \$ 94 |
| Black Hills Ontario, LLC | ST Debt | 352 | Issue | 4.12% | Black Hills Generation, Inc. | None | 352 |
| Wyodak Resources Development Corp. | ST Debt | 28,578 | Issue | 4.12% | Black Hills Exploration and Production, Inc. | None | 28,578 |
| Black Hills Energy, Inc. | ST Debt | 18,546 | Issue | 4.12% | Black Hills Exploration and Production, Inc. | None | 18,546 |

| <u>Company Contributing Capital</u> | <u>Company Receiving Capital</u> | <u>Amount of Capital Contribution</u> |
|-------------------------------------|----------------------------------|---------------------------------------|
| None | | |

ITEM 3 ASSOCIATE TRANSACTIONS

Part I Transactions performed by reporting companies on behalf of associate companies

For the three month period ended March 31, 2005 (in thousands):

| Reporting Company | Associate Company | Types of Services Rendered | Direct Costs Charged | Indirect Costs Charged | Cost of Capital | Total Amount Billed |
|--|------------------------------------|----------------------------|----------------------|------------------------|-----------------|---------------------|
| Enserco Energy Inc. | Black Hills Power, Inc. | Physical gas sales | \$ 7 | N/A | N/A | \$ 7 |
| Enserco Energy Inc. | Black Hills Wyoming, Inc. | Physical gas sales | 7 | N/A | N/A | 7 |
| Enserco Energy Inc. | Harbor Cogeneration Company, LLC | Physical gas sales | 114 | N/A | N/A | 114 |
| Enserco Energy Inc. | Black Hills Ontario, LLC | Physical gas sales | 645 | N/A | N/A | 645 |
| Wyodak Resources Development Corp. | Black Hills Power, Inc. | Coal sales | 2,424 | N/A | N/A | 2,424 |
| Wyodak Resources Development Corp. | Black Hills Wyoming, Inc. | Coal sales | 722 | N/A | N/A | 722 |
| Black Hills Exploration and Production, Inc. | Enserco Energy Inc. | Physical gas sales | 3,018 | N/A | N/A | 3,018 |
| Black Hills Gas Resources, Inc. | Enserco Energy Inc. | Physical gas sales | 11,399 | N/A | N/A | 11,399 |
| Black Hills Exploration and Production, Inc. | Black Hills Energy Resources, Inc. | Crude oil sales | 27 | N/A | N/A | 27 |
| Black Hills Exploration and Production, Inc. | Black Hills Gas Resources, Inc. | Operational services | 128 | N/A | N/A | 128 |

Part II Transactions performed by associate companies on behalf of reporting companies**For the three months ended March 31, 2005 (in thousands):**

| Associate | Reporting | Types of | Direct | Indirect | Cost | Total |
|--------------------------|--|--------------------------|----------------|----------------|-------------------|---------------|
| <u>Company Rendering</u> | <u>Company Receiving</u> | <u>Services</u> | <u>Costs</u> | <u>Costs</u> | <u>of Capital</u> | <u>Amount</u> |
| <u>Services</u> | <u>Services</u> | <u>Rendered</u> | <u>Charged</u> | <u>Charged</u> | | <u>Billed</u> |
| Black Hills Energy, Inc. | Black Hills Exploration and Production, Inc. | Corporate services | N/A | \$ 1,401 | N/A | \$ 1,401 |
| Black Hills Energy, Inc. | Enserco Energy Inc. | Corporate services | N/A | 500 | N/A | 500 |
| Black Hills Energy, Inc. | Wyodak Resources Development Corp. | Corporate services | N/A | 626 | N/A | 626 |
| Black Hills Energy, Inc. | Black Hills Energy Resources, Inc. | Corporate services | N/A | 24 | N/A | 24 |
| Black Hills Energy, Inc. | Black Hills Kilgore Pipeline Company, LP | Corporate services | N/A | 29 | N/A | 29 |
| Black Hills Energy, Inc. | Millennium Pipeline Company, LP | Corporate services | N/A | 159 | N/A | 159 |
| Black Hills Power, Inc. | Wyodak Resources Development Corp. | Retail electric services | 212 | N/A | N/A | 212 |

Note: Black Hills Corporation has formed a service company, Black Hills Service Company, LLC (BHSC), pursuant to the authority granted in Black Hills Corporation, et al., Holding Company Act Release No. 35-27931 (Order). The Commission approved BHSC's standard form of service company agreements in the Order. Pursuant to the phase-in authorized in the Order, BHSC will become fully operational by the end of the year and perform services under service company agreements with its affiliates.

ITEM 4 SUMMARY OF AGGREGATE INVESTMENT

Investments in energy-related companies (in thousands):

| | | |
|--|-------------|--------|
| Total consolidated capitalization as of March 31, 2005 | \$1,535,544 | line 1 |
| Total capitalization multiplied by 15% (line 1 multiplied by 0.15) | 230,332 | line 2 |
| Greater of \$50 million or line 2 | \$230,332 | line 3 |
| Total current aggregate investment: (categorized by major line of energy-related business) | | |
| Total current aggregate investment(1) | | line 4 |
| Difference between the greater of \$50 million or 15% of capitalization and the total aggregate investment of the registered holding company system (line 3 less line 4) | \$230,332 | line 5 |

Investments in gas-related companies:

Total current aggregate investment:
(categorized by major line of gas-related business)
None

(1) Investments in energy related companies prior to December 28, 2004, the date Black Hills Corporation became a registered holding company are reported under Item 5 Other Investments on this Form U-9C-3.

ITEM 5 OTHER INVESTMENTS

As of March 31, 2005 (in thousands):

| Major Line of | Other Investment in Last U-9C-3 <u>Report</u> (3) | Other Investment in This U-9C-3 <u>Report</u> | Reason for Difference in Other <u>Investment</u> |
|---------------------------------------|---|--|---|
| Energy-Related <u>Business</u> (2) | | | |
| Energy commodity marketing | \$ | \$ 75,542 | |
| Qualifying facilities | | 65,887 | |
| Fuel transportation, | | 116,112 | |

handling and storage
facilities

Oil and gas exploration
and production 54,517

Coal mining 9,746

(2) Energy related businesses exempt from calculation in Item 4 Summary of Aggregate Investment prior to December 28, 2004, the date which Black Hills Corporation became a registered holding company.

(3) This is the initial report on Form U-9C-3 of Black Hills Corporation filed pursuant to Rule 58.

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ITEM 6 FINANCIAL STATEMENTS AND EXHIBITS

List all financial statements and exhibits filed as a part of this report.

(a) Financial statements:

Financial statements as of March 31, 2005 are being filed in paper under cover of Form SE and confidential treatment is being requested pursuant to Rule 104(b), 17 C.F.R. § 250-104(b).

(b) Exhibits:

Exhibits are being filed in paper under cover of Form SE and confidential treatment is being requested pursuant to Rule 104(b), 17 C.F.R. § 250-104(b).

SIGNATURE

Black Hills Corporation

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

Dated: May 27, 2005

