

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549  
Form 10-K/A

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

For the fiscal year ended December 31, 2001

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 333-52664

BLACK HILLS CORPORATION

Incorporated in South Dakota      IRS Identification Number 46-0458824

625 Ninth Street  
Rapid City, South Dakota 57701

Registrant's telephone number, including area code  
(605) 721-1700

Securities registered pursuant to Section 12(b) of the Act:

Title of each class -----	Name of each exchange on which registered -----
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Common stock of \$1.00 par value	New York Stock Exchange
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Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

YES X      NO  
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Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

X

State the aggregate market value of the voting stock held by non-affiliates of the Registrant.

At February 28, 2002      \$734,526,500

Indicate the number of shares outstanding of each of the Registrant's classes of common stock, as of the latest practicable date.

Class -----	Outstanding at February 28, 2002 -----
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Common stock, \$1.00 par value	26,694,625 shares
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Documents Incorporated by Reference

1. Definitive Proxy Statement of the Registrant filed pursuant to Regulation 14A for the 2002 Annual Meeting of Stockholders to be held on May 29, 2002, is incorporated by reference in Part III.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

- (a) 1. Consolidated Financial Statements

Financial statements required by Item 14 are listed in the index included in Item 8 of Part II.

2. Schedules

All schedules have been omitted because of the absence of the conditions under which they are required or because the required information is included elsewhere in the financial statements incorporated by reference in the Form 10-K.

3. Exhibits

Exhibit  
Number

Description

- 2\* Plan of Exchange Between Black Hills Corporation and Black Hills Holding Corporation (filed as an exhibit to the Registrant's Registration Statement on Form S-4 (No. 333-52664)).
- 3.1\* Articles of Incorporation of the Registrant (filed as an exhibit to the Registrant's Registration Statement on Form S-4 (No. 333-52664)).
- 3.2\* Articles of Amendment of the Registrant (filed as an exhibit to the Registrant's Form 8-K filed on December 26, 2000).
- 3.3 Amended and Restated Bylaws of the Registrant dated December 10, 2001.
- 3.4\* Statement of Designations, Preferences and Relative Rights and Limitations of No Par Preferred Stock, Series 2000-A of the Registrant (filed as an exhibit to the Registrant's Form 8-K filed on December 26, 2000).
- 4.1\* Restated and Amended Indenture of Mortgage and Deed of Trust of Black Hills Corporation (now called Black Hills Power, Inc.) dated as of September 1, 1999 (filed as an exhibit to the Registrant's Registration Statement on Form S-4 (No. 333-52664)).
- 4.2\* Form of Stock Certificate for Common Stock, Par Value \$1.00 Per Share (filed as Exhibit 4.2 to the Registrant's Form 10-K for 2000).
- 10.1\* Agreement for Transmission Service and the Common Use of Transmission Systems dated January 1, 1986, among Black Hills Power, Inc., Basin Electric Power Cooperative, Rushmore Electric Power Cooperative, Inc, Tri-County Electric Association, Inc., Black Hills Electric Cooperative, Inc. and Butte Electric Cooperative, Inc. (filed as Exhibit 10(d) to the Registrant's Form 10-K for 1987).
- 10.2\* Restated and Amended Coal Supply Agreement for NS II dated February 12, 1993 (filed as Exhibit 10(c) to the Registrant's Form 10-K for 1992).
- 10.3\* Coal Leases between Wyodak Resources Development Corp. and the Federal Government
  - Dated May 1, 1959 (filed as Exhibit 5(i) to the Registrant's Form S-7, File No. 2-60755)
  - Modified January 22, 1990 (filed as Exhibit 10(h) to the Registrant's Form 10-K for 1989)
  - Dated April 1, 1961 (filed as Exhibit 5(j) to the Registrant's Form S-7, File No. 2-60755)
  - Modified January 22, 1990 (filed as Exhibit 10(i) to Registrant's Form 10-K for 1989)
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- 10.4\* Restated and Amended Coal Supply Agreement dated as of January 1, 2001 between Wyodak Resources Development Corp. and PacifiCorp (filed as Exhibit 10.4 to the Registrant's Form S-1 No. 333-57440).
- 10.5\* Second Restated and Amended Power Sales Agreement dated September 29, 1997, between PacifiCorp and Black Hills Power, Inc. (filed as Exhibit 10(e) to the Registrant's Form 10-K for 1997).

- 10.6\* Coal Supply Agreement for Wyodak Unit #2 dated February 3, 1983, and Ancillary Agreement dated February 3, 1982, between Wyodak Resources Development Corp., Pacific Power & Light Company and Black Hills Power, Inc. (filed as Exhibit 10(o) to the Registrant's Form 10-K for 1983). Amendment to Agreement for Coal Supply for Wyodak #2 dated May 5, 1987 (filed as Exhibit 10(o) to the Registrant's Form 10-K for 1987).
- 10.7\* Reserve Capacity Integration Agreement dated May 5, 1987, between Pacific Power & Light Company and Black Hills Power, Inc. (filed as Exhibit 10(u) to the Registrant's Form 10-K for 1987).
- 10.8\* Marketing, Capacity and Storage Service Agreement between Black Hills Power, Inc. and PacificCorp dated September 1, 1995 (filed as Exhibit 10(ag) to the Registrant's Form 10-K for 1995).
- 10.9\* Assignment of Mining Leases and Related Agreement effective May 27, 1997, between Wyodak Resources Development Corp. and Kerr-McGee Coal Corporation (filed as Exhibit 10(u) to the Registrant's Form 10-K for 1997).
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- 10.11+ Amended and Restated Pension Equalization Plan of Black Hills Corporation dated November 6, 2001.
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- 10.16\*+ Black Hills Corporation Omnibus Incentive Compensation Plan dated May 30, 2001 (filed as Exhibit 10.16 to the Registrant's Form 10-K for 2001).
- 10.17\*+ Agreement for Supplemental Pension Benefit for Everett E. Hoyt dated January 20, 1992 (filed as Exhibit 10(gg) to the Registrant's Form 10-K for 1992).
- 10.18\*+ Change in Control Agreements for various officers (filed as Exhibit 10(af) to the Registrant's Form 10-K for 1995).
- 10.19\*+ Outside Directors Stock Based Compensation Plan (filed as Exhibit 10(t) to the Registrant's Form 10-K for 1997).
- 10.20\*+ Officers Short-Term Incentive Plan (filed as Exhibit 10(s) to the Registrant's Form 10-K for 1999).
- 10.21\* Agreement and Plan of Merger, dated as of January 1, 2000, among Black Hills Corporation, Black Hills Energy Capital, Inc., Indeck Capital, Inc., Gerald R. Forsythe, Michelle R. Fawcett, Marsha Fournier, Monica Breslow, Melissa S. Forsythe and John W. Salyer, Jr. (Exhibit 2 to Schedule 13D filed on behalf of the former shareholders of Indeck Capital, Inc. consisting of Gerald R. Forsythe, Michelle R. Fawcett, Marsha Fournier, Monica Breslow, Melissa S. Forsythe and John W. Salyer, Jr., dated July 7, 2000).
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- 10.24\* Supplemental Agreement Regarding Restructuring of Certain Qualifying Facilities (Exhibit 5 to Schedule 13D filed on behalf of the former shareholders of Indeck Capital, Inc. consisting of Gerald R. Forsythe, Michelle R. Fawcett, Marsha Fournier, Monica Breslow, Melissa S. Forsythe and John W. Salyer, Jr., dated July 7, 2000).

- 10.25\* Addendum to the Agreement and Plan of Merger, dated as of June 30, 2000, among Black Hills Corporation, Black Hills Energy Capital, Inc., Indeck Capital, Inc., Gerald R. Forsythe, Michelle R. Fawcett, Marsha Fournier, Monica Breslow, Melissa S. Forsythe and John W. Salyer, Jr. (Exhibit 6 to Schedule 13D filed on behalf of the former shareholders of Indeck Capital, Inc. consisting of Gerald R. Forsythe, Michelle R. Fawcett, Marsha Fournier, Monica Breslow, Melissa S. Forsythe and John W. Salyer, Jr., dated July 7, 2000).
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- 10.28\* 3-year Credit Agreement dated as of August 28, 2001 among Black Hills Corporation, as Borrower, The Financial Institutions party, hereto, as Banks, ABN AMRO BANK N.V., as Administrative Agent, Union Bank of California, N.A., as Syndication Agent, Bank of Montreal, as Co-Syndication Agent, US Bank, National Association, as Documentation Agent, and The Bank of Nova Scotia, as Co-Documentation Agent (filed as Exhibit 10.1 to the Registrant's Form 10-Q for the quarterly period ended September 30, 2001).
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- 23.1\* Consent of Independent Public Accountants (filed as Exhibit 23.1 to the Registrant's Form 10-K for 2001).
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\* Previously filed as part of the filing indicated and incorporated by reference herein.

+ Indicates a board of director or management compensatory plan.

(b) Reports on Form 8-K

We have not filed any Reports on Form 8-K since September 30, 2001.

(c) See (a) 3. Exhibits above.

(d) See (a) 2. Schedules above.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BLACK HILLS CORPORATION

By DANIEL P. LANDGUTH  
-----  
Daniel P. Landguth, Chairman  
and Chief Executive Officer

Dated: March 30, 2002

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

DANIEL P. LANDGUTH ----- Daniel P. Landguth, Chairman, and Chief Executive Officer	Director and Principal Executive Director	March 30, 2002
MARK T. THIES ----- Mark T. Thies, Senior Vice President and Chief Financial Officer	Principal Financial Officer	March 30, 2002
ROXANN R. BASHAM ----- Roxann R. Basham, Vice President-Controller, and Assistant Secretary	Principal Accounting Officer	March 30, 2002
ADIL M. AMEER ----- Adil M. Ameer	Director	March 30, 2002
BRUCE B. BRUNDAGE ----- Bruce B. Brundage	Director	March 30, 2002
DAVID C. EBERTZ ----- David C. Ebertz	Director	March 30, 2002
JOHN R. HOWARD ----- John R. Howard	Director	March 30, 2002
EVERETT E. HOYT ----- Everett E. Hoyt, President and Chief Operating Officer	Director and Officer	March 30, 2002
KAY S. JORGENSEN ----- Kay S. Jorgensen	Director	March 30, 2002
DAVID S. MANEY ----- David S. Maney	Director	March 30, 2002
THOMAS J. ZELLER ----- Thomas J. Zeller	Director	March 30, 2002

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+ Indicates a board of director or management compensatory plan.



## AMENDED BYLAWS

## ARTICLE I

## MEETINGS OF SHAREHOLDERS

Section 1. Place. Meetings of the shareholders shall be held at such place within or without the State of South Dakota as the Board of Directors may from time to time determine and as stated in the notice of the meeting.

Section 2. Annual Meeting. The annual meeting of the shareholders shall be held at such time within six months after the end of each fiscal year of the Company as the Board of Directors designates for the purpose of electing directors and for the transacting of any other business as may be brought before the meeting.

Section 3. Special Meetings. All annual and special meetings of the shareholders shall be called by a majority of the Board of Directors.

Section 4. Notice. Unless all shareholders entitled to vote at the meeting waive notice in writing, written notice stating the place, day and hour of each meeting of shareholders, and in the case of a special meeting, further stating the purpose for which such meeting is called, shall be mailed at least ten days before the meeting when called by the Board of Directors to each stockholder of record who shall be entitled to vote thereat to the last known post office address of each such stockholder as it appears upon the stock transfer books of the Company. However, notice of a meeting, at which proposal to increase the capital stock or indebtedness is to be considered, shall be given at least sixty days prior to such meeting.

Section 5. Quorum. The holders of a majority of the issued and outstanding shares of the capital stock of the Company entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum for the transaction of business at all meetings of the shareholders except as may otherwise be provided by law or by the Articles of Incorporation. If a quorum or greater number as may be required by law or the Articles shall not be present or represented at any meeting of the shareholders, a majority of the shareholders who are present in person or by proxy and who are entitled to vote thereat shall have the power to adjourn the meeting from time to time without notice other than announcement at the meeting until such quorum or such greater number shall have been obtained.

Section 6. Adjourned Meeting. The majority of the shareholders who are entitled to vote and who are present in person or by proxy at any regular or special meeting of the shareholders shall have the right to adjourn the meeting from time to time without notice other than

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announcement at the meeting to be adjourned; provided, however, the meeting may not be adjourned for a period longer than sixty days from the date of the meeting as set forth in the notice thereof.

Section 7. Voting. At each meeting of the shareholders, every stockholder having the right to vote shall be entitled to vote one vote per share in person or by proxy appointed by an instrument in writing subscribed by such stockholder. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy. All voting for directors shall be by written ballot. All elections shall be had and all questions decided by a plurality except as otherwise provided by law or by the Articles of Incorporation.

Section 8. Inspectors. The Board of Directors or, if the Board shall not have made the appointment, the person presiding at any meeting of shareholders shall have power to appoint one or more persons, other than the nominees for directors, to act as inspectors to receive, canvass and report the votes cast by the shareholders at such meeting. Any inspector so appointed who for any reason does not serve in such capacity may be replaced by the person presiding at the meeting.

## ARTICLE II

## BOARD OF DIRECTORS

Section 1. Definitions. For the purposes of these Bylaws an "Inside Director" is a director who is an employee of the Company, an officer of the Company, a person who has in the past served as an officer of the Company or any person whose relationship to the Company other than as a director gives him access on a regular basis to material information about the Company that is not generally available. Any director who is not an Inside Director would for the purpose of these Bylaws constitute an "Outside Director." For the purpose of this Section "Company" shall also include any subsidiary of the Company.

Section 2. Management of the Company. The property, business and affairs of the Company shall be managed by or under the direction of its Board of Directors.

Section 3. Qualifications of Directors. At the time a person is elected as director by the shareholders, that person must beneficially own at least 100 shares of the common stock of the Company; and if such person is elected by the shareholders, the person must be duly qualified to vote such stock at the said

election. Each director is required to apply at least 50 percent of his or her retainer toward the purchase of additional shares until the director has accumulated at least 2,000 shares of common stock. No person shall be elected or stand for reelection as a director who will be seventy (70) years of age or older on the thirty-first day of December of the year of the election, except in the event the Board of Directors has not yet identified a director to be elected to replace any director who will be seventy (70) years of age during the year in which he

or she stands for reelection, a director may stand for reelection solely for the purpose of filling the slate of directors. However, upon the Board of Directors' choosing a replacement director, the incumbent director shall tender his or her resignation to the Chairman.

Section 4. Number and Election; Vacancies and Removal. The number of members of the Board of Directors shall not be less than nine (9); provided, the Board of Directors may change the number of directors through amendments to its Bylaws. The Board of Directors shall be and is divided into three classes, Class I, Class II and Class III, which shall be as nearly equal in number as possible. Each director shall serve for a term ending on the date of the third annual meeting following the annual meeting at which such director was elected; provided, each initial director in Class I shall hold office until the annual meeting of shareholders in 2002, each initial director in Class II shall hold office until the annual meeting of shareholders in 2003, and each initial director in Class III shall hold office until the annual meeting of shareholders in 2001.

The Board of Directors is expressly authorized to determine the rights, powers, duties, rules and procedures that affect the power of the Board of Directors to manage and direct the business and affairs of the Corporation, including the power to designate and empower committees of the Board of Directors, to elect, appoint and empower the officers and other agents of the Corporation, and to determine the time and place of, and the notice requirements for, Board meetings, as well as quorum and voting requirements for, and the manner of taking, Board action.

In the event of any change in the authorized number of directors, the Board of Directors shall apportion any newly created directorships to, or reduce the number of directorships in, such class or classes as shall, so far as possible, equalize the number of directors in each class. The Board of Directors shall allocate consistently with the rule that the three classes shall be as nearly equal in number of directors as possible, any newly-created directorship to the class the term of office of which is due to expire at the latest date following such allocation.

Any vacancies in the Board of Directors for any reason, including any newly created directorships resulting from any increase in the number of directors, may be filled by the Board of Directors, acting by a majority of the directors then in office, although less than a quorum; and any directors so chosen shall hold office until the next election of the class for which such directors shall have been chosen.

Notwithstanding any of the foregoing, each director shall serve for a term continuing until the annual meeting of shareholders at which the term of the class to which he was elected expires and until his successor is elected and qualified or until his or her earlier death, resignation or removal; except, a director may be removed from office prior to the expiration of his or her term only for cause and by a vote of the majority of the total number of members of the Board of Directors without including the director who is the subject of the removal determination and without such director being entitled to vote thereon.

Section 5. Compensation. Outside Directors shall be entitled to such compensation and expenses as may be determined by resolution of the Board. Outside Directors may serve the Company in other capacities and receive compensation therefor.

Section 6. Meetings. The Board of Directors may hold meetings within or without the State of South Dakota. Members of the Board of Directors or any committee thereof may participate in a meeting of such Board or committee by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time, and participation by such means shall constitute presence in person at a meeting.

Section 7. Regular Meetings. The annual meeting of the Board of Directors for the election of officers and to conduct such other business to be brought before the meeting shall, if practicable, be held on the same day as and immediately after the annual election of the directors by the shareholders or any adjournment thereof, and no notice thereof need be given. Further regular meetings of the Board may be held with or without notice at such time and place as shall from time to time be determined by the Board by resolution.

Section 8. Special Meetings. Special meetings of the Board of Directors may be called either by the Chairman of the Board and Chief Executive Officer, the President or by the Secretary upon the written request of any two directors by giving oral or written notice to each director stating the time and place of such meeting.

Section 9. Notice of Meetings. Notice shall be considered to have been given if a notice is either orally communicated to a director at least twelve hours prior to such meeting or placed in writing and mailed to the director at his last known post office address as shown by the records of the Company at least four days prior to the meeting. Any notice to be given a director for a meeting of the directors may be waived by the director in writing either before or after the meeting. Presence of any director at a meeting of the Board shall be considered to be a waiver of notice by such director unless such director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted nor the purpose of any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

Section 10. Quorum. At all meetings of the Board of Directors a majority of the number of directors at the time in office shall constitute a quorum for the transaction of business; provided, less than a quorum of directors may fill vacancies as set forth in Section 4 of this Article II. The act of a majority of the number of directors at the time in office shall be the act of the Board of Directors. If at any meeting of the board there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time until a quorum is obtained

and no further notice thereof need be given other than by announcement at said meeting which shall be so adjourned.

Section 11. Manifestation of Dissent. A director of the Company who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Company immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

Section 12. Action Taken Without Meeting. Any action which may be taken at a meeting of the directors or of a committee may be taken without a meeting if a consent in writing setting forth the actions so to be taken shall be signed before such action by all of the directors, or all of the members of the committee, as the case may be. Such consent shall have the same effect as a unanimous vote.

### ARTICLE III

#### COMMITTEES

Section 1. Executive Committee. The Board of Directors shall appoint from among its members an executive committee of at least five directors. The Chairman of the Board and Chief Executive Officer and President shall be a member of the executive committee. At least three members of the executive committee shall be Outside Directors. The executive committee (i) shall recommend to the Board persons to be elected as officers, (ii) recommend persons to be appointed to Board committees, (iii) may consider and make recommendations to the Board on other Board actions and (iv) may perform such other duties as may be permitted by law.

Section 2. Audit Committee. The Board of Directors shall appoint at least three of its Outside Directors to serve as an audit committee, all of whom shall have no relationship to the Company that may interfere with the exercise of their independence from management. The audit committee shall meet prior to and after each yearly audit with representatives of the independent accounting firm approved by the shareholders for the purpose of reviewing the audit of such firm of the Company's financial condition and shall each year recommend to the Board an independent accounting firm to be appointed by the Board for the ratification by the shareholders and shall perform such other duties as assigned by the Board.

Section 3. Compensation Committee. The Board of Directors shall appoint at least three of its Outside Directors to serve as a compensation committee. The compensation committee (i) shall perform any function required by directors in the administration of all federal and state statutes relating to employment and compensation, (ii) shall recommend to the Board the



compensation for officers, and (iii) shall consider and approve the compensation program, including the benefit program and stock ownership plans, of the Company.

Section 4. Governance Committee. The Board of Directors shall appoint a Governance Committee to be composed of a minimum of four Outside Directors as determined by the Board of Directors. An Outside Director shall be appointed by the Board of Directors to serve as Lead Director of the Governance Committee. The Governance Committee shall provide action and oversight on the following matters: (a) to recruit and nominate individuals to serve as Directors of the Company; (b) to consider candidates to fill new positions created by expansion and vacancies that occur by resignation, retirement or for any other reason; (c) to assess the size and other membership needs of the Board of Directors and establish selection criteria for Board Membership; (d) to establish and regularly review guidelines for corporate governance; (e) to implement and administer an annual evaluation of the performance of the Board of Directors; (f) to implement and administer the process for orienting new Directors both to the Company, and to their responsibilities as Board Members; (g) to nominate on an annual basis an Outside Director to serve as Lead Director who will serve as Chairman of the Governance Committee; (h) to regularly review the independence of Board Members.

Section 5. Other Committees. The Board of Directors may also appoint from among its own members such other committees as the Board may determine and assign such powers and duties as shall from time to time be prescribed by the Board.

Section 6. Removal from Committees and Rules of Procedure. Subject to these Bylaws directors may be removed from the committees and vacancies therein may be filled by a majority of the Board of Directors. A meeting of any committee may be called by any member of the committee. The provisions of these Bylaws concerning notice of meetings, compensation, manifestation of dissent and taking action without a meeting as they pertain to directors shall also pertain to committee meetings.

#### ARTICLE IV

##### OFFICERS

Section 1. Officers. The Board of Directors shall elect as officers of the Company a Chairman of the Board, who shall be the Chief Executive Officer, a President, a Vice President, a Secretary, a Treasurer and may elect a Controller and such other Vice Presidents and other officers as the Board may determine is necessary for the conduct of the business of the Company. Officers need not be directors except for the Chairman of the Board. Any two or more offices may be held by the same person. No person shall hold an officer position after the last day of the month during which said person became sixty-five years of age.

Section 2. Term and Removal. All officers of the Company shall serve at the pleasure of the Board of Directors, and the Board at any regular or special meeting by the vote of a majority of the whole Board may remove an officer from an office.

Section 3. Duties of Chairman of the Board and Chief Executive Officer. The Chairman of the Board and Chief Executive Officer shall be the chief administrative officer of the Company. The Chairman of the Board and Chief Executive Officer (i) shall exercise such duties as customarily pertain to the office of Chief Executive Officer, (ii) shall have general and active management authority and supervision over the property, business and affairs of the company and over its officers and employees, (iii) may appoint employees, consultants and agents as deemed necessary for the proper conduct of the Company's business, (iv) may sign, execute and deliver in the name of the Company powers of attorney, contracts, bonds and other obligations subject to direction of the Board as set forth in Article VII of these Bylaws, (v) shall recommend to the Board of Directors persons for appointment to offices and committees and for nomination of directors, (vi) shall preside at stockholder meetings and at meetings of the Board of Directors, and (vii) shall perform such other duties as may be prescribed from time to time by the Board of Directors.

Section 4. Duties of the President. The President shall perform such duties as may be prescribed from time to time by the Board of Directors or by the Chairman of the Board and Chief Executive Officer. The President, in the absence or disability of the Chairman of the Board and Chief Executive Officer, shall perform the duties and exercise the powers of the Chairman of the Board and Chief Executive Officer.

Section 5. Duties of Vice Presidents. The Vice Presidents shall have such powers and perform such duties as may be assigned to them by the Board of Directors, or the Chairman of the Board and Chief Executive Officer. In the absence or disability of the Chairman of the Board and Chief Executive Officer, and the President, the Vice Presidents in the order as designated by the Board, or if the Board so directs, by the Chairman of the Board and Chief Executive Officer, shall perform the duties and exercise the powers of the Chairman of the Board and Chief Executive Officer.

Section 6. Duties of Secretary. The Secretary shall attend all meetings of the Board and shareholders, record all votes and the minutes of all proceedings in books to be kept for such purposes and shall perform like duties for the committees when required. The Secretary shall have the custody of the seal. The Secretary shall have the custody of the stock books and shall perform such other duties as may be prescribed by the Board of Directors or the Chairman of the Board and Chief Executive Officer.

Section 7. Duties of Treasurer. The Treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books of the Company and shall deposit all monies and other valuable effects in the name and to

the credit of the Company in such depositories as may be designated by the Board of Directors. The Treasurer shall disburse the funds of the Company as may be ordered by the Board, taking proper vouchers for such disbursements and shall render to the Chairman of the Board and Chief Executive Officer and to the Board of Directors at its regular meetings or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the Company.

Section 8. Duties of Other Officers. All other officers of the Company shall have such duties as shall be prescribed by the Board of Directors or the Chairman of the Board and Chief Executive Officer.

Section 9. Delegation of Duties of Officers. In the case of the absence of any officer of the Company or for any other reason that the Board may deem sufficient, the Board may delegate the powers or duties of any officer to any other officer or to any director for such time as determined by the Board.

Section 10. Compensation of Officers. The compensation of the Chairman of the Board and Chief Executive Officer shall be determined by the Board of Directors. The compensation of each of the other officers shall be recommended by the Chairman of the Board and Chief Executive Officer and approved by the Board of Directors. No officer shall be prevented from receiving such salary by reason of the fact that he is also a director of the Company.

## ARTICLE V

### INDEMNIFICATION

Section 1. Actions, Suits or Proceedings Other than by or in the Right of the Company. The Company shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, including all appeals, (other than an action by or in the right of the Company) by reason of the fact that he is or was or has agreed to become a director or officer of the Company, or is or was serving or had agreed to serve at the request of the Company as a director or officer of another corporation (including a subsidiary of the corporation, or subsidiaries of subsidiaries), partnership, joint venture, trust or other enterprise, or by reason of any action alleged to have been taken or omitted in such capacity, against costs, charges, expenses (including attorneys' fees), judgments, fines, penalties and amounts paid in settlement actually and reasonably incurred by him or on his behalf in connection with such action, suit or proceeding and any appeal therefrom, if he acted in good faith and in a manner he reasonably believed to be within the scope of his authority and in, or not opposed to, the best interests of the Company, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by

judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be within the scope of his authority and in, or not opposed to, the best interests of the Company and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

Section 2. Actions or Suits by or in the Right of the Company. The Company shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, including all appeals, by or in the right of the Company to procure a judgment in its favor by reason of the fact that he is or was or has agreed to become a director or officer of the Company or is or was serving or has agreed to serve at the request of the Company as a director or officer of another corporation (including a subsidiary of the corporation or subsidiaries of subsidiaries), partnership, joint venture, trust or other enterprise, or by reason of any action alleged to have been taken or omitted in such capacity, against costs, charges and expenses (including attorneys' fees) actually and reasonably incurred by him or on his behalf in connection with the defense or settlement of such action or suit and any appeal therefrom, if he acted in good faith and in a manner he reasonably believed to be within the scope of his authority and in, or not opposed to, the best interests of the Company, except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Company unless and only to the extent that the Courts of South Dakota or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of such liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such costs, charges and expenses which the Courts of South Dakota or such other court shall deem proper.

Section 3. Indemnification for Costs, Charges and Expenses of Successful Party. Notwithstanding the other provisions of this Article V, to the extent that a director or officer has been successful, on the merits or otherwise, including, without limitation, the dismissal of an action without prejudice, in defense of any action, suit or proceeding referred to in Sections 1 and 2 of this Article V, or in defense of any claim, issue or matter therein, he shall be indemnified against all costs, charges and expenses (including attorneys' fees) actually and reasonably incurred by him or on his behalf in connection therewith.

Section 4. Determination of Right to Indemnification. Any indemnification under Sections 1 and 2 of this Article V (unless ordered by a court) shall be paid by the Company unless a determination is made (i) by the board of directors by a majority vote of the directors who were not parties to such action, suit or proceeding, or if such majority of disinterested directors so directs, (ii) by independent legal counsel in a written opinion, or (iii) by the shareholders, that indemnification of the director or officer is not proper in the circumstances because he has not met the applicable standard of conduct set forth in Sections 1 and 2 of this Article V.

Section 5. Advance of Costs, Charges and Expenses. Costs, charges and expenses (including attorneys' fees) incurred by a person referred to in Sections 1 or 2 of this Article V in defending a civil or criminal action, suit or proceeding shall be paid by the Company in advance of the final disposition of such action, suit or proceeding; provided, however, that the payment of such costs, charges and expenses incurred by a director or officer in his capacity as a director or officer (and not in any other capacity in which service was or is rendered by such person while a director or officer) in advance of the final disposition of such action, suit or proceeding shall be made only upon receipt of an undertaking by or on behalf of the director or officer to repay all amounts so advanced in the event that it shall ultimately be determined that such director or officer is not entitled to be indemnified by the Company as authorized in this Article V. Such costs, charges and expenses incurred by other employees and agents may be so paid upon such terms and conditions, if any, as the majority of the directors deems appropriate. The majority of the directors may, in the manner set forth above, and upon approval of such director or officer of the Company, authorize the Company's counsel to represent such person, in any action, suit or proceeding, whether or not the Company is a party to such action, suit or proceeding.

Section 6. Procedure of Indemnification. Any indemnification under Sections 1, 2 and 3, or advance of costs, charges and expenses under Section 5 of this Article V shall be made promptly, and in any event within 60 days, upon the written request of the director or officer. The right to indemnification or advances as granted by this Article V shall be enforceable by the director or officer in any court of competent jurisdiction, if the Company denies such request, in whole or in part, or if no disposition thereof is made within 60 days. Such person's costs and expenses incurred in connection with successfully establishing his right to indemnification, in whole or in part, in any such action shall also be indemnified by the Company. It shall be a defense to any such action (other than an action brought to enforce a claim for the advance of costs, charges and expenses under Section 5 of this Article V where the required undertaking, if any, has been received by the Company) that the claimant has not met the standard of conduct set forth in Sections 1 or 2 of this Article V, but the burden of proving such defense shall be on the Company. Neither the failure of the Company (including its board of directors, its independent legal counsel and its shareholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he has met the applicable standard of conduct set forth in Sections 1 or 2 of this Article V, nor the fact that there has been an actual determination by the Company (including its board of directors, its independent legal counsel and its shareholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standards of conduct.

Section 7. Settlement. The Company shall not be obligated to reimburse the costs of any settlement to which it has not agreed. If in any action, suit or proceeding, including any appeal, within the scope of Sections 1 or 2 of this Article V, the person to be indemnified shall have unreasonably failed to enter into a settlement thereof offered or assented to by the opposing party

or parties in such action, suit or proceeding, then, notwithstanding any other provision hereof, the indemnification obligation of the Company to such person in connection with such action, suit or proceeding shall not exceed the total of the amount at which settlement could have been made and the expenses incurred by such person prior to the time such settlement could reasonably have been effected.

Section 8. Subsequent Amendment. No amendment, termination or repeal of this Article V or of relevant provisions of the South Dakota corporation law or any other applicable laws shall affect or diminish in any way the rights of any director or officer of the Company to indemnification under the provisions hereof with respect to any action, suit or proceeding arising out of, or relating to, any actions, transactions or facts occurring prior to the final adoption of such amendment, termination or repeal.

Section 9. Other Rights, Continuation of Right to Indemnification. The indemnification provided by this Article V shall not be deemed exclusive of any other rights to which a director, officer, employee or agent seeking indemnification may be entitled under any law (common or statutory), agreement, vote of shareholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in any other capacity while holding office or while employed by or acting as agent for the Company, and shall continue as to a person who has ceased to be a director, officer, employee or agent, and shall inure to the benefit of the estate, heirs, executors and administrators of such person. Nothing contained in this Article V shall be deemed to prohibit, and the Company is specifically authorized to enter into, agreements with officers and directors providing indemnification rights and procedures different from those set forth herein. All rights to indemnification under this Article V shall be deemed to be a contract between the Company and each director or officer of the Company who serves or served in such capacity at any time while this Article V is in effect. This Article V shall be binding upon any successor corporation to this Company, whether by way of acquisition, merger, consolidation or otherwise.

Section 10. Savings Clause. If this Article V or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Company shall nevertheless indemnify each director or officer of the Company as to any costs, charges, expenses (including attorneys' fees), judgments, fines and amounts paid in settlement with respect to any action, suit or proceeding, whether civil, criminal, administrative or investigative, including an action by or in the right of the Company, to the full extent permitted by any applicable portion of this Article V that shall not have been invalidated and to the full extent permitted by applicable law.

Section 11. Subsequent Legislation. If the South Dakota law is amended after the adoption of this Article V to further expand the indemnification permitted to directors and officers of the Company, then the Company shall indemnify such persons to the fullest extent permitted by the South Dakota law, as so amended.

ARTICLE VI  
CAPITAL STOCK

Section 1. Stock Certificates. Certificates for stock of the Company shall be in such form as the Board of Directors may from time to time prescribe and shall be signed by the President or a Vice President and by a Treasurer or an Assistant Treasurer or the Secretary or an Assistant Secretary. If certificates are signed by a transfer agent, acting in behalf of the Company, or registered by a registrar, the signatures of the officers of the Company may be facsimile. The Company, through its officers, may cause certificates to be issued and delivered bearing facsimile signatures of persons even though at the time of the issuance and delivery of such certificates, any of such persons may no longer be an officer of the Company.

Section 2. Transfer Agent. The Board of Directors shall have power to appoint one or more transfer agents and registrars for the transfer and registration of certificates of stock of any class and may require that stock certificates shall be countersigned and registered by one or more of such transfer agents and registrars. The transfer agent and registrar may be the same person.

Section 3. Transfer of Stock. Shares of the capital stock of the Company shall be transferable on the books of the Company only by the holder of record thereof in person or by a duly authorized attorney upon surrender and cancellation of certificates for a like number of shares properly endorsed.

Section 4. Lost Certificate. In case any certificates of the capital stock of the Company shall be lost, stolen or destroyed, the Company may cause replacement certificates to be issued upon such proof of the fact and such indemnity to be given to it and to its transfer agent and registrar, if any, as shall be deemed necessary or advisable by it.

Section 5. Holder of Record. The Company shall be entitled to treat the holder of record of any share or shares of stock as the holder thereof in fact and shall not be bound to recognize any equitable or other claim to or interest in such shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise expressly provided by law. The expression "stockholder" or "shareholders" whenever used in these Bylaws shall be deemed to mean only the holder or holders of record of stock.

Section 6. Closing of Transfer Books. The Board of Directors shall have power to close the stock transfer books of the Company for a stated period but not to exceed, in any case, fifty days, and in case of a meeting of shareholders not less than ten days, preceding the date of any meeting of shareholders, or the date for payment of any dividend, or the date for the allotment of rights, or the date when any change or conversion or exchange of capital stock shall go into effect, or in order to make a determination of shareholders for any other proper purpose; provided, however, that in lieu of closing the stock transfer books, the Board of Directors may fix

in advance a date as the record date for any such determination of shareholders, not less than ten days prior to the date on which the particular action, requiring such determination of shareholders, is to be taken; and in such case only such shareholders as shall be shareholders of record on the date so fixed shall be entitled to such notice of, and to vote at, such meeting, or to receive payment of such dividend, or to receive such allotment of rights, or to exercise such rights, as the case may be, notwithstanding any transfer of any stock on the books of the Company after any such record date fixed as aforesaid. When a determination of shareholders entitled to vote at any meeting of shareholders has been made as provided in this section, such determination shall apply to any adjournment thereof.

Section 7. Closing of Transfer Books to Authorize Increase in Indebtedness and Capital Stock. Notwithstanding Section 6 of this Article and in order to comply with Section 8 of Article XVII of the South Dakota Constitution, the notice to be given shareholders for a meeting at which a proposal to increase the Company's authorized indebtedness or capital stock is to be considered shall be given at least sixty days prior to the meeting and the record date for the determination of shareholders eligible to vote at such meeting may be set by the Board sixty or more days prior to the said meeting.

## ARTICLE VII

### CONTRACTS, LOANS, CHECKS AND DEPOSITS

Section 1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Company, and such authority may be general or confined to specific instances.

Section 2. Loans. No loans shall be contracted on behalf of the Company and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

Section 3. Checks, Drafts, etc. All checks, drafts, or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Company shall be signed by such officer or officers, agent or agents of the Company and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 4. Deposits and Investments. All funds of the Company not otherwise employed shall be deposited from time to time to the credit of the Company in such banks, trust companies or other depositories as the Board of Directors or officers of the Company designated by the Board of Directors may select; or be invested as authorized by the Board of Directors. Such authority may be general or confined to specific instances.



ARTICLE VIII

MISCELLANEOUS

Section 1. Offices. The principal office of the Company shall be in the City of Rapid City, County of Pennington, State of South Dakota. The Company may also have offices at such other places within or without the State of South Dakota as the Board of Directors may from time to time designate or as the business of the Company may require.

Section 2. Seal. The corporate seal shall have inscribed thereon the name of the Company and the words "Corporate Seal--2000--South Dakota."

Section 3. Audit. The books of account of the Company shall be audited annually by an independent firm of public accountants who shall be appointed by the Board of Directors and ratified by the shareholders at each annual meeting. Such auditors shall submit to the Board of Directors each year certified financial statements of the Company for the preceding fiscal year.

ARTICLE IX

AMENDMENTS

These Bylaws may be altered, amended or repealed at any meeting of the Board of Directors by the affirmative vote of a majority of the whole Board; provided, no alteration or amendment may be in conflict with any provision of the Articles of Incorporation.

Dated this 10th day of December, 2001.

By /s/ Steven J. Helmers  
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Steven J. Helmers, Corporate Secretary



PENSION EQUALIZATION PLAN  
OF BLACK HILLS CORPORATION

1. RECITALS.

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Black Hills Corporation, a South Dakota corporation ("Company") is the parent and holding company of, among other Affiliates (as defined below), Black Hills Power, Inc., a South Dakota corporation formerly known as Black Hills Corporation ("BHP"), and Wyodak Resources Development Corp., a Delaware corporation ("WRDC"). BHP maintains a nonqualified "top hat" pension equalization plan for certain of its management or highly compensated employees, which plan was last restated the 6th day of January, 2000 and last amended effective January 30, 2001 ("BHP Plan"). WRDC maintains a nonqualified "top hat" pension equalization plan for certain of its and its Affiliates' management or highly compensated employees, which plan was last restated the 6th day of January, 2000 and last amended effective January 30, 2001 ("WRDC Plan"). The Company hereby wishes to establish this Pension Equalization Plan of Black Hills Corporation ("Plan") to consolidate the BHP Plan and the WRDC Plan into one plan maintained by the Company for the Company's and its Affiliates' employees. Based on the foregoing recitals, the Company hereby establishes the Plan effective the 6th day of November, 2001.

2. PURPOSE OF PLAN.

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The purpose of the Plan is to provide to a select group of management or highly compensated employees with certain retirement and death benefits in addition to those benefits which the Participants may enjoy from the Company's tax qualified defined benefit plan in order to supplement and attempt to equalize total retirement benefits being paid to persons holding like

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executive and management positions by other companies. The Plan is designed to aid the Company in attracting and retaining its executive employees, persons whose abilities, experience and judgment can contribute to the well-being of the Company. It is the intention of Company that this Plan shall be administered as an unfunded benefit plan established and maintained for a select group of management or highly compensated employees.

3. DEFINITIONS.

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"Affiliate" shall mean any business organization or legal entity that, directly or indirectly, controls, is controlled by or is under common control with the Company. For purposes of this definition, the term "control" (including the terms "controlling," "controlled by," and "under common control with") includes the possession, direct or indirect, of the power to vote 50 percent or more of the voting equity securities, membership interest, or other voting interest, or to direct or cause the direction of the management and policies of such business organization or other legal entity, whether through the ownership of voting equity securities, membership interest, by contract, or otherwise.

"Annual Compensation Limitation" shall mean the limitation on annual compensation for tax qualified retirement plans as set forth in Internal Revenue Code Section 401(a)(17) as the same may be amended hereafter from time to time.

"Average Earnings" shall mean whichever of the following results in the highest annual average Earnings: (i) a Participant's average Earnings for the five (5) consecutive full calendar years of employment during the ten (10) full calendar years of employment immediately preceding the Calculation Date, which results in the highest such average; or (ii) a Participant's average Earnings determined by dividing the sum of the following by five (5): (a) the Participant's Earnings for the four full calendar years preceding the year containing his Calculation Date; (b) the Participant's Earnings for the year containing his Calculation Date as of the Calculation Date; and (c) a portion of the Participant's Earnings for the fifth full calendar year preceding the year containing his Calculation Date determined by multiplying his Earnings for said fifth preceding full calendar year by a ratio, the numerator of which shall be 365

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minus the number of days in the year containing his Calculation Date measured from the first day of said year to his Calculation Date, and the denominator of which ratio shall be 365. If the Participant has less than five (5) full calendar years of employment, the average shall be taken over his total full calendar years of employment.

"Board of Directors" means the Board of Directors of the Company.

"Calculation Date" shall mean the earlier of (i) the date the Participant's employment with the Company was terminated, (ii) the date that the Participant's participation in the Plan was terminated, or (iii) the date of the Participant's death.

"Committee" shall mean the Compensation Committee of the Board of Directors of the Company.

"Earnings" shall mean the compensation paid to an Employee by a Company during a calendar year, including any amounts paid to him as overtime, bonus, commission, unused paid time off or incentive compensation, any earnings reduction under a cash or deferred arrangement established by the Company under Section 401(k) of the Code, any salary reduction under a flexible benefit program established by the Company under Section 125 of the Code and, effective January 1, 2000, any compensation reduction elected for qualified transportation fringe benefits under Section 132(f)(4) of the Code, but excluding reimbursements and expense allowances, taxable fringe benefits, moving expenses, moving/relocation allowances, non-cash incentives and stock options, long-term incentive compensation (such as payments under the Black Hills Corporation Omnibus Incentive Compensation Plan), nonqualified deferred compensation and welfare benefits (such as group term life insurance in excess of \$50,000 and tuition assistance).

"Pension Restoration Benefit" shall mean the benefit payable under paragraph 9.

"PEP Benefits" shall mean the benefits payable under paragraph 4.

"Salary Level" shall mean the base compensation paid to a Participant by the Company or an Affiliate during a calendar year, including any compensation reduction under a cash or deferred arrangement under Section 401(k) of the Internal Revenue Code or under a flexible benefit program under Section 125 of the Internal Revenue Code and any salary deferrals made

by a Participant under the Company's Nonqualified Deferred Compensation Plan, but not including any amounts paid to the Participant as overtime, bonus, commission or incentive compensation, nor reimbursements and expense allowances, fringe benefits, moving expenses, nonqualified deferred compensation payments, or welfare benefits.

"Section 415 Benefit Limitation" shall mean the limitation on the provision of annual benefits with respect to defined benefit plans as set forth in Internal Revenue Code Section 415(b) as the same may be amended hereafter from time to time.

"Social Security Wage Base" shall mean the contribution base as determined under Section 1402(k)(1) of the Internal Revenue Code.

4. PARTICIPANTS.  
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Those persons eligible for participation in the Plan ("Participants") are those management or highly compensated employees of the Company or its Affiliates whose Salary Level equals or exceeds the Social Security Wage Base and who are designated by the Board of Directors of the Company upon recommendation of the Chief Executive Officer of the Company. The Board of Directors may in its discretion discontinue the participation of any Participant in the Plan at any time.

5. PEP BENEFITS.  
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Benefits payable to Participants ("PEP Benefits") shall consist of 180 equal monthly payments, each payment in the amount of one-twelfth of the product of (i) the Participant's Average Earnings as of the Calculation Date times (ii)(a) 25 percent if the Participant's Average Earnings as of the Calculation Date is less than twice the Social Security Wage Base; or (b) 30 percent if the

Participant's Average Earnings equals or exceeds twice the Social Security Wage Base; times (iii) the applicable vesting percentages provided in paragraph 8.

6. COMMENCEMENT OF PAYMENT OF PEP BENEFITS.  
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PEP Benefit payments shall be paid commencing at the earliest of (i) the time the Participant is 62 years of age or more and is no longer an employee of the Company or the applicable Affiliate; or (ii) upon the death of the Participant. PEP Benefits shall be paid to the Participant or, if deceased, to the Participant's designated beneficiary, or, if none, to his or her estate. If the Participant's death occurs after commencement of PEP Benefit payments to the Participant under the Plan, the Participant's designated beneficiary or estate will continue to receive the balance of the payments due the Participant under the Plan.

Notwithstanding the above, a Participant with vested PEP Benefits who is 55 years of age or more and no longer an Employee of the Company or the applicable Affiliate may elect in writing to be paid PEP Benefits beginning at age 55 or older, subject to a discount of such PEP Benefits according to Schedule 1, attached hereto and incorporated herein by this reference. Once a Participant has elected discounted PEP Benefits under this paragraph, and has received the first of such discounted PEP Benefit payments, the election shall be irrevocable.

7. DESIGNATION OF BENEFICIARY.  
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A Participant may designate a beneficiary or beneficiaries for PEP Benefits which shall be effective upon filing written notice with the Committee on the form provided for that purpose. If more than one beneficiary designation has been filed, the beneficiary or beneficiaries designated in the notice

bearing the most recent date will be deemed the valid beneficiary or beneficiaries.

8. VESTING OF PEP BENEFITS.  
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PEP Benefits payable under the Plan will vest at the following rate:

Years of Plan Participation	Percent of Benefit Vested
Less than 3 years	0
3 years but less than 4	20
4 years but less than 5	35
5 years but less than 6	50
6 years but less than 7	65
7 years but less than 8	80
8 or more years	100

No credit for service with the Company or the applicable Affiliate prior to January 1, 1990 shall be given. The provisions for vesting set forth in this paragraph are not intended to give any Participants any rights or claim to any specific assets of the Company.

9. PENSION RESTORATION BENEFITS.  
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In the event that a Participant's benefit under the Company's tax qualified defined benefit plan ("Pension Plan") is reduced, or is required to be reduced, because of (i) the Annual Compensation Limitation; (ii) the Section 415 Benefit Limitation; or (iii) the Participant's deferral of salaries, bonus, or other compensation under the Company's Nonqualified Deferred Compensation Plan, then the Participant shall be entitled to receive an additional benefit ("Pension Restoration Benefit"), which shall be measured by the difference between (x) the monthly benefit which would have been provided to the Participant under the Pension Plan

without regard to the reduction in the Pension Plan benefit caused by any of the foregoing limitations (i), (ii), and (iii) and (y) the actual monthly benefit to be provided to the Participant under the Pension Plan. The Pension Restoration Benefit shall be determined using the same factors, actuarial or otherwise, as used in determining the Participant's Pension Plan benefit and shall be payable at like times and in like manner as the Pension Plan benefit.

Notwithstanding anything contained above, in the event that a Participant hereunder is not a participant in or eligible to participate in the Company Pension Plan, then such Participant shall have no right to any Pension Restoration Benefit under this paragraph, and nothing contained herein shall be deemed to provide for or suggest the right in any Participant hereunder to be a participant or be eligible to participate in the Company Pension Plan.

10. LOSS OF BENEFITS.  
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Notwithstanding any other provisions in this Plan, if a Participant is terminated on account of misconduct or dishonesty, the Participant shall forfeit all right to any benefits payable under this Plan, including vested accrued benefits.

11. FUNDING OF PLAN.  
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All benefit payments under the Plan will be made from the general assets of the Company. Participants and their beneficiaries who are entitled to be paid benefits under this Plan are unsecured general creditors of the Company. The Company may, but shall not be required to, invest corporate assets in life insurance or annuity contracts to assure that the Company will have a source of funds for the payment of benefits required to be paid under this Plan. Any such



insurance or annuity contract shall constitute assets of the Company and the Participant shall have no right, title or interest in any such insurance or annuity contract. The Company reserves the right to refuse participation in the plan to any Participant who, if requested to do so, declines to supply information or to otherwise cooperate as necessary to allow the Company to obtain insurance on the Participant's life.

12. PLAN MAY BE MODIFIED OR DISCONTINUED.  
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The Company reserves the right to amend, modify or discontinue the Plan at any time. Any modification or discontinuance of benefits shall not reduce accrued benefits which become vested prior thereto.

13. WITHHOLDING.  
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There shall be deducted from all benefits paid under this Plan the amount of any taxes required to be withheld by any federal, state or local government. The Participants and their beneficiaries, distributees and personal representatives will bear any and all federal, foreign, state, local or other income or other taxes imposed on amounts paid under this Plan.

14. ASSIGNABILITY.  
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No right to receive payments under this Plan shall be subject to voluntary or involuntary alienation, assignment or transfer.

15. ADMINISTRATION OF THE PLAN.

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The Plan shall be administered by the Committee. The Committee shall conclusively interpret the provisions of the Plan, decide all claims, and shall make all determinations under the Plan. The Committee shall act by vote or written consent of a majority of its members.

16. CLAIMS PROCEDURE.

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All claims for benefits under the Plan shall be made to the Committee. If the Committee denies a claim, the Committee shall provide notice to the Participant or beneficiary, in writing, within 90 days after the claim is filed unless special circumstances require an extension of time for processing the claim, not to exceed an additional 90 days. If the Committee does not notify the Participant or beneficiary of the denial of the claim within the time period specified above, then the claim shall be deemed denied. The notice of a denial of a claim shall be written in a manner calculated to be understood by the claimant and shall set forth (1) the specific reason or reasons for the claim denial; (2) specific references to the pertinent Plan provisions on which the denial is based; (3) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation as to why such information is necessary; and (4) a description of the Plan's review procedures, including any time limits for such procedures.

Within 60 days after receipt of the above material, the claimant shall have a reasonable opportunity to appeal the claim denial to the Committee for a full and fair review. The claimant or his duly authorized representative may (1) request a review within the foregoing sixty- (60-) day period upon written notice to the Committee; (2) upon request and free of charge, have reasonable access to, and copies of, all documents, records, and other information relevant to the claim; and (3) submit written comments, documents, records, and other

information relating to the claim for benefits. The foregoing review shall take into account all comments, documents, records, and other information submitted by the claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination.

A decision on the review by the Committee will be made not later than 60 days after receipt of a request for review, unless special circumstances require an extension of time for processing (such as the need to hold a hearing), in which case a decision shall be rendered as soon as possible, but not later than 120 days after receipt of a request for review. The decision on review shall be in writing and shall include (1) the specific reason or reasons for the determination on review; (2) reference to the specific plan provisions on which the benefit determination is based; and (3) a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claimant's claim for benefits.

17. GOVERNING LAW.  
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This agreement shall be governed by and construed in accordance with the laws of the state of South Dakota, to the extent not preempted by federal law.

18. NO EMPLOYMENT CONTRACT.  
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Neither the action taken by the Company in establishing the Plan or any action taken by it or by the Committee under the provisions hereof or any provision of the Plan shall be construed as giving to any eligible Participant the right to be retained in the employment of the Company.

19. NON QUALIFIED AND UNFUNDED PLAN.  
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Notwithstanding anything contained herein, it is intended that this Plan be treated as "nonqualified" and unfunded for tax purposes and for purposes of Title I of ERISA.

BLACK HILLS CORPORATION

By /s/ Daniel P. Landguth  
Its Chairman and CEO

SCHEDULE 1

DISCOUNT APPLICABLE TO EARLY PEP BENEFITS

Age at Start of Payments	Percentage of PEP Benefit Payable
61	93.0%
60	86.5%
59	80.5%
58	74.9%
57	69.7%
56	64.8%
55	60.3%



SEVERANCE, CONFIDENTIALITY, NON-DISCLOSURE  
AND RELEASE AGREEMENT

This Agreement, dated this the 31st day of October, 2001, is between Gary R. Fish, the ("Employee"), and Black Hills Corporation, Inc., a South Dakota corporation, the ("Employer" or "Company"). Effective on or before October 30, 2001 ("Effective Date"), Employee resigns and voluntarily terminates the employment relationship between Employer and Employee.

Employee shall receive all regular wages, benefits and other compensation due to him by reason of his employment with Employer through the Effective Date. In addition, upon execution of this Agreement, Employer shall provide the following severance compensation or benefits to Employee:

Additional Compensation:

Employee will receive an amount equal to \$322,920 under the 2001 Short Term Incentive program. Additionally, for Severance Pay you will receive an amount equal to nine (9) months of regular pay. This amounts to a one-time, lump, gross sum payment of \$201,825. The Severance Pay shall be taxable as payroll wages. Employer shall make the usual and customary withholding for federal and state income tax, Social Security and Medicare. Employer shall furnish Employee with tax form W-2 for the Severance Pay.

Defined Benefit Plan (Pension Plan), Defined Contribution Plan (401k), Employee Stock Purchase Plan (ESPP)

Employee will receive information regarding his 401k Plan and the ESPP outlining the options available to him. Employee's resignation, for pension plan purposes, is considered as a vested termination. Since Employee is vested, he is deemed eligible to receive pension benefits pursuant to the plan document and will be credited with fifteen (15) years of service.

Pension Equalization Plan (PEP)

Employee is vested under the PEP plan, and therefore, is entitled to the benefits associated with this plan, including the Pension Restoration Benefit. Attached to this Agreement is a copy of the plan document, which states that the Pension Restoration Benefit shall be payable at like times and manner as the Pension Plan Benefit. Should the Board of Directors amend the PEP for acceleration of plan benefits (not earlier than age 55 with an appropriate discount for early payment of benefits), you will be eligible to receive your benefit under the amended plan. Please note the definition of "earnings" as defined in the PEP document. Payments for unused personal time as well as payments which are directly or indirectly associated with any long term equity-based plan are excluded from the earnings calculation.

Unused Personal Time Hours

Employee shall be compensated for any earned unused personal time hours. This amount will be based upon Employee's current rate of pay. Appropriate taxes will be withheld. Currently Employee has ninety (90) unused personal time hours remaining in this anniversary year.

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Payment for this amount will be included as a lump sum in employee's final paycheck. Employee will be provided with an additional one hundred sixty (160) hours of personal time as part of this Agreement. This severance compensation will be paid in a lump sum amount of approximately \$20,700.00.

Health and Welfare Plans

Resignation of employment is considered a qualifying event allowing Employee to continue medical/health insurance coverage (COBRA) for up to 18 months. Employer will provide Employee with the initial six months (November and April 2002) at no cost to Employee. At the end of the six months, Employee will be responsible for payment of the premiums associated with continuation of coverage for the remaining months of eligibility. Employee will be informed of the details regarding continuation of coverage (COBRA) in a separate letter.

Employee will have the opportunity to continue his current coverage under the basic Life Insurance program through an individual life policy. If Employee also participated in the Group Universal Life program, he may elect to continue this coverage as well. The Human Resources Department of Employer will work with Employee to implement any election of continuation coverage.

Disability benefits, benefit days, and any other employment benefits not listed herein shall terminate on the last day worked.

Stock Option Plan

During the course of his employment, Employee received grants of stock options. Employer's Corporate Controller, Roxann Basham, shall provide Employee with all information associated with the termination provisions of this plan. Employee is advised to give immediate attention to the termination provisions of all non-qualified stock options, which are currently vested. The plan provides a 90-day time period to take action on any of the vested options. Employee understands that should no action be taken pursuant to these termination provisions of the plan, any and all vested options will be forfeited.

Employee will receive a cash payment, less taxes, for an amount equal to the following: the stock price as of closing on the date of October 30, 2001, 27.75 less the stock price of \$21.8750, times 13,667.

Any and all other options, non-qualified stock options or restricted, which are not vested by Employee's last day of employment will be forfeited according to the provisions of the plan document.

#### Consulting Services

Effective October 31, 2001, Employee will provide consulting services as requested by the Company related to transition or other matters that may require the Employee's time. Employee will be compensated at an hourly consulting rate of \$130.00 per hour for services provided. Payment of bills for consulting services will be coordinated through James Mattern.



#### Miscellaneous Terms

1. Employee may attend technology training programs offered by DAKSOFT through the end of the year 2001, at no cost.
2. Employee may receive phone support for technology-based questions through the end of the year 2001, at no cost.
3. Employee may have access to the Company's websites to assist in job search activities. This will include:
  - a. CERA website and e-mail literature.
  - b. EEI website and e-mail literature
  - c. CSFB e-mails and related research.

Information that is determined to be confidential and Company specific will not be released.

4. Trade journals and periodicals personally addressed to Employee will be provided until the current subscription expires. Employee will be responsible for collecting these materials from the General Office.
5. Employee will be allowed to download information from the Palm V to disk or another storage source. Information that is confidential or involves Company trade secrets will not be downloaded, copied or retained.
6. Company will forward personal electronic mail (e-mails) addressed to Gary R. Fish through the end of the calendar year. No email containing confidential information, Company trade secrets or other information identified in the confidentiality provisions of this Agreement shall be delivered to Employee.

#### Employee's Obligations

Employee agrees to pay any outstanding balance on any Employer account, ESPP, computer purchase plan, and the like. Employer's Human Resources Department will advise Employee of the payment process.

On or before Employee's final date of employment, all Employer property, including but not limited to records, files, keys, equipment and credit cards need to be returned to the Human Resources Department. Employee shall submit all outstanding Company expenses by his last day of employment along with receipts so they may be processed accordingly.

#### General Release

In consideration of receiving the severance benefits from Employer, Employee hereby waives, releases and discharges all rights, remedies, claims and causes of action, known or unknown, that he may have against Employer, or any related company, their officers, directors, employees and their respective insurers (collectively referred to as "Employer") for any claim or matter relating

to or arising from his employment, or the termination of his employment. This Release includes, but is not limited to any claim, right, remedy or cause of action arising under:

- any common law theory;
- any federal, state or local statute, ordinance or regulation, including any cause of action pertaining to employment or employment discrimination (race, age, color, sex or marital status, religion, national origin or ancestry, or disability);
- any tort theory;
- any contract theory;
- any statute, ordinance or regulation authorizing the recovery of attorney's fees, liquidated damages, punitive damages or interest.

#### ADEA/OWBPA Release

Employee specifically releases and waives all rights, remedies, claims and causes of action, known or unknown, that he may have against Employer for any matter related to his employment and, the termination of that employment under the Age Discrimination and Employment Act of 1967, 28 U.S.C. ss.ss. 621-634 (ADEA). Employee knowingly and voluntarily makes this Severance and Release Agreement. This Severance and Release Agreement does not cover rights, remedies, claims and causes of action that may arise after the date of the execution of this Agreement, although Employee's agreement, if any, to perform future actions, such as terminating employment, remain in effect. This Severance and Release Agreement is not given in exchange for consideration of anything of value to which Employee already is entitled. Employee has been advised in writing to consult with an attorney before executing this Agreement.

As provided by the Older Workers Benefit Protection Act (OWBPA) Employee has been given a reasonable period of time (at least twenty-one (21) days) to consider this Agreement before executing it. Changes, whether material or immaterial to this Agreement, shall not restart the running of the twenty-one (21) day time period. Employee may execute this Agreement prior to the end of the twenty-one (21) day time period. This Agreement may be revoked by Employee within seven (7) days after execution of this Agreement by Employee. This Agreement shall not become effective or enforceable until the revocation period has expired. The seven (7) day revocation period shall not be shortened by the parties, by agreement or otherwise. If not revoked by Employee, the eighth day after the date of Employee's acceptance will be the Effective Date of this Agreement.

#### Confidentiality

As further consideration for payment of Severance Pay and benefits, Employee shall hold the terms of this Agreement in the strictest confidence. The terms shall not be disclosed to anyone, except to Employee's spouse and legal and tax advisors, for whom Employee agrees to assume responsibility for any disclosure by them of the terms of this Agreement. Disclosure may be made by Employee if required by subpoena or other request for disclosure. Employee shall give immediate notice to Employer of any subpoena or legal request for information about the terms of this Agreement.

Employee shall not disclose to any person or entity any confidential information and/or trade secrets concerning Employer's (or its subsidiaries' and affiliates') business operations, financial status or condition, strategic plans, personnel, or other matters. Nothing contained in this Agreement shall restrict Employee from working as an employee, officer, consultant or director for any business that competes with Black Hills Corporation.

#### Non-Disparagement

The parties wish to exhibit mutual respect towards each other, in recognition of a long and appreciated association. Neither party shall defame or disparage the other, its officers or directors, or make negative comments about the other. In all verbal or written communications regarding the other the parties agree to be professional and respectful.

The parties will jointly prepare any press release or public announcement concerning Employee's resignation.

#### Arbitration

Any dispute over the performance, interpretation, breach or other issue in any way relating to this Agreement shall be determined and resolved by binding arbitration, not litigation. Arbitration shall be governed by the South Dakota Uniform Arbitration Act, or if not addressed in the Act, then by the commercial rules of the American Arbitration Association. Any arbitration proceeding shall be venued in Rapid City, South Dakota. Arbitration may be demanded within one year of the time the claim accrued or the claim shall be forever barred. The arbitrator shall have the power, but not the obligation to award reasonable attorney's fees, costs and disbursements to the prevailing party. The arbitrator's award shall be final and binding and judgment may be entered thereon by any state or federal court sitting in the State of South Dakota.

#### Miscellaneous Provisions

If any part of this Agreement is determined by a court of last resort to be unlawful, invalid or otherwise unenforceable, the balance of this Agreement shall remain in full force and effect, and the offending provisions shall be deemed amended to the extent necessary to conform to the law.

No purported modification or waiver of any provision of this Agreement shall be binding unless in writing and signed by both parties. This Agreement shall be binding upon, and inure to the benefit of the parties, their heirs, successors, personal representatives and assigns.

This Agreement is made and entered into in the State of South Dakota, and shall in all respects be interpreted, enforced and governed by the laws of this State

#### RELEASE STATEMENT

By signing this Agreement, Employee acknowledges that he has read this Agreement carefully, had the opportunity to consult with counsel, understands the terms of this Agreement, and voluntarily agrees to them.

Dated this 31st day of October, 2001.

BLACK HILLS CORPORATION, INC.

By: /s/ James M. Mattern

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Name: James M. Mattern  
Its: Senior Vice President

EMPLOYEE

/s/ Gary R. Fish

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Name: Gary R. Fish

