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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 8-K**

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

**Date of Report (Date of earliest event reported) July 11, 2008**

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**BLACK HILLS CORPORATION**

(Exact name of registrant as specified in its charter)

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**South Dakota**  
(State or other jurisdiction of incorporation)

**001-31303**  
(Commission File Number)

**46-0458824**  
(IRS Employer Identification  
No.)

**625 Ninth Street, PO Box 1400**  
**Rapid City, South Dakota**  
(Address of principal executive offices)

**57709-1400**  
(Zip Code)

**605.721.1700**  
(Registrant's telephone number, including area code)

**Not Applicable**  
(Former name or former address, if changed since last report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 2.01 Completion of Acquisition or Disposition of Assets**

On July 11, 2008, Black Hills Corporation (the "Company") completed the sale of certain independent power production assets ("IPP Assets") with a total capacity of 974 megawatts for \$840 million cash. Net pre-tax cash proceeds received were approximately \$756 million, including the effects of approximately \$67.5 million of associated project level debt repayment, estimated working capital adjustments and other costs. The sale was pursuant to the Purchase and Sale Agreement entered into on April 29, 2008, by and between our subsidiary, Black Hills Generation, Inc. and Southwest Generation Operating Company, LLC, the acquisition company formed by affiliates of Hastings Funds Management Ltd and IIF BH Investment LLC, a subsidiary of an investment entity advised by JPMorgan Asset Management, as described in the Form 8-K filed by the Company with the Securities and Exchange Commission on May 1, 2008.

The assets sold include the following gas-fired power plants:

<u>Asset</u>	<u>State Located</u>	<u>Capacity (net megawatts)</u>
Fountain Valley	Colorado	240
Las Vegas II	Nevada	224
Valencia	New Mexico	149
Arapahoe	Colorado	130
Harbor Cogeneration	California	98
Valmont	Colorado	80
Las Vegas I	Nevada	<u>53</u>
Total		974

The foregoing descriptions of the agreement and the transactions contemplated thereby do not purport to be complete and are qualified in their entirety by reference to the Purchase and Sale Agreement, a copy of which was filed as Exhibit 10 to the Company's Form 8-K filed on May 1, 2008 and is incorporated herein by reference.

**Item 9.01 Financial Statements and Exhibits****(b) Pro Forma Financial Information**

The Unaudited Pro Forma Condensed Consolidated Statements of Income for the year ended December 31, 2007 and the three months ended March 31, 2008 have been prepared to present the Company's results of operations as if the sale of the IPP Assets had occurred on January 1, 2007. The Unaudited Pro Forma Condensed Consolidated Balance Sheet as of March 31, 2008 has been prepared to present the Company's financial position as if the sale of the IPP Assets had occurred on March 31, 2008. The Company's Unaudited Pro Forma Condensed Consolidated Financial Statements are attached hereto as Exhibit 99 and are incorporated herein by reference.

The Unaudited Pro Forma Condensed Consolidated Financial Statements do not purport to be indicative of the financial position or results of operations of the Company as of the dates or for such periods, nor are they necessarily indicative of future results. The Unaudited Pro Forma Condensed Consolidated Financial Statements and the accompanying notes should be read together with the Company's audited consolidated financial statements and accompanying notes as of and for the year ended December 31, 2007, and Management's Discussion and Analysis included in the Company's Annual Report on Form 10-K for the year ended December 31, 2007.

(d) Exhibits

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Unaudited Pro Forma Condensed Consolidated Financial Statements, including:

- (i) Unaudited Pro Forma Condensed Consolidated Balance Sheet as of March 31, 2008.
- (ii) Unaudited Pro Forma Condensed Consolidated Statements of Income for the year ended December 31, 2007 and the three months ended March 31, 2008.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

BLACK HILLS CORPORATION

By: /s/ Steven J. Helmers  
Steven J. Helmers  
Senior Vice President  
and General Counsel

Date: July 17, 2008

Exhibit Index

Exhibit  
Number

99 Unaudited Pro Forma Condensed Consolidated Financial Statements.

## BLACK HILLS CORPORATION

## UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The following unaudited pro forma condensed financial statements present financial information to give effect of the July 11, 2008 sale of seven of Black Hills Corporation's (the Company's) independent power plants (the IPP Assets) to be accounted for in accordance with Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" (SFAS 144). The unaudited pro forma condensed consolidated financial statements are based on the Company's historical consolidated financial statements, adjusted to give effect to the disposition of the IPP Assets in accordance with the underlying terms of the related sale agreement. The unaudited pro forma condensed consolidated statements of income for the year ended December 31, 2007 and the three months ended March 31, 2008 have been prepared to present the consolidated results of continuing operations of the Company, assuming the sale occurred as of January 1, 2007. The unaudited pro forma condensed consolidated balance sheet presents our financial position assuming the sale of the IPP Assets had occurred on March 31, 2008. The unaudited pro forma condensed consolidated financial statements do not assume the use of any proceeds from the sale of the IPP Assets to invest in the Company, purchase a similar asset or reduce outstanding debt.

Management believes that the assumptions used to derive the unaudited pro forma condensed consolidated financial statements are reasonable under the circumstances and given the information available. Such pro forma financial data has been provided for informational purposes and is not necessarily indicative of the Company's financial condition or results of operations that actually would have been attained had the transaction occurred at the dates indicated, and is not necessarily indicative of the Company's financial position or results of operations that will be achieved in the future. As a result of the IPP Asset sale the historical operations of the IPP Assets will be shown as discontinued operations in the Company's future consolidated financial statements beginning with the Form 10-Q for the second quarter of 2008. In addition, these unaudited pro forma financial statements have been presented on a basis to eliminate the effects of reporting discontinued operations. The unaudited pro forma condensed consolidated financial statements together with the notes thereto should be read in conjunction with the Company's historical consolidated financial statements and accompanying notes thereto, which can be found in our Annual Report on Form 10-K for the fiscal year ended December 31, 2007, filed with the Securities Exchange Commission (SEC) on February 29, 2008 and our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2008, filed with the SEC on May 9, 2008.

**BLACK HILLS CORPORATION**  
**CONDENSED CONSOLIDATED PRO FORMA BALANCE SHEET**  
**(unaudited)**

	<u>As reported</u> <u>March 31, 2008</u>	<u>Pro Forma</u> <u>Adjustments</u>		<u>Restated Pro Forma</u> <u>March 31, 2008</u>
	(in thousands, except per share amounts)			
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 75,605	\$ 758,183	(1)	\$ 833,788
Restricted cash	5,484	—		5,484
Short-term investments	7,290	—		7,290
Receivables (net of allowance for doubtful accounts of \$4,213)	270,763	(16,585)	(1)	254,178
Materials, supplies and fuel	87,937	(7,404)	(1)	80,533
Derivative assets	46,337	—		46,337
Deferred income taxes	14,011	—		14,011
Other assets	16,048	(1,610)	(1)	14,438
Assets of discontinued operations	1,106	—		1,106
	524,581	732,584		1,257,165
Investments	16,745	—		16,745
Property, plant and equipment	2,564,259	(661,163)	(1)	1,903,096
Less accumulated depreciation and depletion	(689,997)	163,268	(1)	(526,729)
	1,874,262	(497,895)		1,376,367
Other assets:				
Derivative assets	1,360	—		1,360
Goodwill	40,501	(26,501)	(1)	14,000
Intangible assets (net of accumulated amortization of \$28,865)	20,275	(20,272)	(1)	3
Other	47,343	(14,736)	(1)	32,607
	109,479	(61,509)		47,970
	\$ 2,525,067	\$ 173,180		\$ 2,698,247
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>				
Current liabilities:				
Accounts payable	\$ 242,048	\$ (3,093)	(1)	\$ 238,955
Accrued liabilities	104,808	(6,407)	(1)	98,401
Derivative liabilities	72,526	—		72,526
Notes payable	73,000	—		73,000
Current maturities of long-term debt	143,187	(12,857)	(1)	130,330
Accrued income taxes	303	98,835	(1)	99,138
Liabilities of discontinued operations	757	—		757
	636,629	76,478		713,107
Long-term debt, net of current maturities	561,136	(57,857)	(1)	503,279
Deferred credits and other liabilities:				
Deferred income taxes	209,272	—		209,272
Derivative liabilities	16,516	—		16,516
Other	131,032	(30)	(1)	131,002
	356,820	(30)		356,790
Minority interest in subsidiaries	5,244	—		5,244
Stockholders' equity:				
Common stock equity –				
Common stock \$1 par value; 100,000,000 shares authorized; Issued 38,425,006 shares	38,425	—		38,425
Additional paid-in capital	578,742	—		578,742
Retained earnings	400,909	154,589	(1), (3)	555,498
Treasury stock at cost – 29,400 shares	(1,050)	—		(1,050)
Accumulated other comprehensive loss	(51,788)	—		(51,788)
	965,238	154,589		1,119,827
	\$ 2,525,067	\$ 173,180		\$ 2,698,247

The accompanying notes to condensed consolidated pro forma financial statements are an integral part of these condensed consolidated pro forma financial statements.

**BLACK HILLS CORPORATION**  
**CONDENSED CONSOLIDATED PRO FORMA STATEMENT OF INCOME**  
**(unaudited)**

	As Reported for the Three Months Ended <u>March 31, 2008</u>	Pro Forma <u>Adjustments</u> (in thousands, except per share amounts)		Total Pro Forma for the Three Months Ended <u>March 31, 2008</u>
Operating revenues	\$ 179,211	\$ (26,361)	(1)	\$ 152,850
Operating expenses:				
Fuel and purchased power	54,615	(904)	(1)	53,711
Operations and maintenance	26,203	(5,552)	(1)	20,651
Administrative and general	25,549	(1,490)	(1), (2)	24,059
Depreciation, depletion and amortization	25,644	(6,257)	(1)	19,387
Taxes, other than income taxes	10,636	(1,128)	(1)	9,508
	<u>142,647</u>	<u>(15,331)</u>		<u>127,316</u>
Operating income	<u>36,564</u>	<u>(11,030)</u>		<u>25,534</u>
Other income (expense):				
Interest expense	(12,333)	3,139	(1)	(9,194)
Interest income	433	(7)	(1)	426
Allowance for funds used during construction – equity	281	—		281
Other income, net	344	(8)	(1)	336
	<u>(11,275)</u>	<u>3,124</u>		<u>(8,151)</u>
Income from continuing operations before equity in earnings of unconsolidated subsidiaries, minority interest and income taxes	25,289	(7,906)		17,383
Equity in earnings of unconsolidated subsidiaries	232	—		232
Minority interest	(77)	—		(77)
Income tax expense	(8,872)	3,070	(1)	(5,802)
Income from continuing operations	<u>\$ 16,572</u>	<u>\$ (4,836)</u>		<u>\$ 11,736</u>
Weighted average common shares outstanding:				
Basic	<u>37,826</u>			<u>37,826</u>
Diluted	<u>38,399</u>			<u>38,399</u>
Earnings per share from continuing operations:				
Basic	<u>\$ 0.43</u>			<u>\$ 0.31</u>
Diluted	<u>\$ 0.43</u>			<u>\$ 0.31</u>

The accompanying notes to condensed consolidated pro forma financial statements are an integral part of these condensed consolidated pro forma financial statements.



**BLACK HILLS CORPORATION**  
**CONDENSED CONSOLIDATED PRO FORMA STATEMENT OF INCOME**  
**(unaudited)**

	Twelve Months Ended December 31, 2007 as Reported	Pro Forma Adjustments		Total Pro Forma for the Twelve Months Ended December 31, 2008
(in thousands, except per share amounts)				
Operating revenues	\$ 695,914	\$ (121,076)	(1)	\$ 574,838
Operating expenses:				
Fuel and purchased power	175,919	(4,117)	(1)	171,802
Operations and maintenance	84,045	(26,086)	(1)	57,959
Administrative and general	115,568	(4,231)	(1), (2)	111,337
Depreciation, depletion and amortization	99,700	(27,933)	(1)	71,767
Taxes, other than income taxes	37,816	(4,873)	(1)	32,943
Impairment of long-lived assets	3,315	—		3,315
	<u>516,363</u>	<u>(67,240)</u>		<u>449,123</u>
Operating income	<u>179,551</u>	<u>(53,836)</u>		<u>125,715</u>
Other income (expense):				
Interest expense	(40,953)	15,772	(1)	(25,181)
Interest income	3,609	(44)	(1)	3,565
Allowance for funds used during construction – equity	4,803	—		4,803
Other expense	(423)	51	(1)	(372)
Other income, net	786	—		786
	<u>(32,178)</u>	<u>15,779</u>		<u>(16,399)</u>
Income from continuing operations before equity in earnings of unconsolidated subsidiaries, minority interest and income taxes	147,373	(38,057)		109,316
Equity in earnings of unconsolidated subsidiaries	(1,231)	—		(1,231)
Minority interest	(377)	—		(377)
Income tax expense	(45,641)	14,179	(1)	(31,462)
Income from continuing operations	<u>\$ 100,124</u>	<u>\$ (23,878)</u>		<u>\$ 76,246</u>
Weighted average common shares outstanding:				
Basic	<u>37,024</u>			<u>37,024</u>
Diluted	<u>37,414</u>			<u>37,414</u>
Earnings per share from continuing operations:				
Basic	<u>\$ 2.70</u>			<u>\$ 2.06</u>
Diluted	<u>\$ 2.68</u>			<u>\$ 2.04</u>

The accompanying notes to condensed consolidated pro forma financial statements are an integral part of these condensed consolidated pro forma financial statements.

**Notes to the Unaudited Pro Forma Condensed Consolidated Financial Statements**

On July 11, 2008, the Company completed a sale of seven independent power plants consisting of 974 megawatts for \$840 million cash, subject to working capital adjustments. The net proceeds from the sale were approximately \$762.8 million, reflecting the repayment of associated project debt financing and the effects of estimated working capital adjustments. Based on March 31, 2008 historical balances, the after-tax gain on the sale was approximately \$154.6 million. Actual adjustments and balances will result in differences from the information presented. The accompanying unaudited pro forma condensed consolidated financial statements do not assume the use of any proceeds from the sale of the IPP Assets to invest in the Company, purchase similar assets or reduce outstanding debt. The unaudited pro forma condensed balance sheet presented herein assumes the sale occurred as of March 31, 2008. The unaudited pro forma condensed consolidated statements of income are presented as if the sale occurred as of January 1, 2007. Such pro forma information is based on the Company's historical consolidated financial statements and accompanying notes thereto, which can be found in our Annual Report on Form 10-K for the fiscal year ended December 31, 2007, filed with the Securities Exchange Commission (SEC) on February 29, 2008 and our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2008, filed with the SEC on May 9, 2008. The IPP Assets sold were previously reported within the Power Generation segment for reporting purposes within the Company's historical consolidated financial statements and accompanying notes thereto.

Pro Forma adjustments are based on the following:

1. The pro forma adjustments represent the discontinued operations of the IPP Assets. This presentation of discontinued operations has been prepared in accordance with SFAS 144. Additionally, interest expense has been presented within discontinued operations in accordance with Emerging Issues Task Force Issues 87-24, "Allocation of Interest to Discontinued Operations".
2. General indirect corporate overhead costs previously allocated to the IPP Assets and present within the related operating results of the Power Generation segment within the Company's historical consolidated financial statements have been excluded from reclassification as discontinued operations. Historical amounts not reclassified to discontinued operations were \$1.6 million for the three months ended March 31, 2008 and \$6.1 million for the year ended December 31, 2007.
3. The estimated after-tax gain of approximately \$154.6 million is reflected as an adjustment to retained earnings. This estimate is based on the historical information as of March 31, 2008. Actual adjustments and balances will result in differences from the information presented.