

BLACK HILLS CORP /SD/
Form 8-K
December 10, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported) **December 7, 2010**

BLACK HILLS CORPORATION

(Exact name of registrant as specified in its charter)

South Dakota

(State or other jurisdiction of incorporation)

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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)

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))
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Item 1.01 Entry into a Material Definitive Agreement.

Black Hills Corporation, a South Dakota corporation (the **Company**), entered into an underwriting agreement dated November 10, 2010 (the **Underwriting Agreement**), among the Company and J.P. Morgan Securities LLC, BMO Capital Markets Corp., RBC Capital Markets, LLC and Credit Suisse Securities (USA) LLC, individually and acting as representatives of the several underwriters named therein (the **Underwriters**), and in the case of J.P. Morgan Securities LLC, acting as agent for an affiliate (the **Forward Seller**) and as agent for JPMorgan Chase Bank, National Association (the **Forward Purchaser**), in connection with the sale by the Forward Seller and purchase by the Underwriters of 4,000,000 shares of Common Stock, \$1.00 par value per share (the **Common Stock**), of the Company (the **Borrowed Underwritten Shares**), and the grant by the Company or the Forward Seller, as applicable, to the Underwriters, of the option to purchase all or any part of 600,000 additional shares of Common Stock solely to cover over-allotments (the **Option Shares**). The Underwriting Agreement provides that the Company may elect, if the over-allotment option is exercised, in lieu of issuing and delivering the Option Shares directly to the Underwriters, that such Option Shares be borrowed and delivered to the Underwriters by the Forward Seller. The Underwriters have exercised their option to purchase 413,519 Option Shares and the Company has elected that such shares be borrowed and delivered to the Underwriters by the Forward Seller.

The offering by the Underwriters of the Borrowed Underwritten Shares closed on November 17, 2010, which offering is described in the Company's Current Report on Form 8-K filed on November 17, 2010.

The closing of the offering by the Underwriters of the 413,519 Option Shares (the **Offering**) is expected to occur on December 10, 2010, subject to the satisfaction of customary closing conditions.

In connection with the Offering, the Company also entered into a confirmation dated December 7, 2010 (the **Additional Forward Sale Agreement**) with J.P. Morgan Securities LLC as agent for the Forward Purchaser. The Additional Forward Sale Agreement relates to the forward sale by the Company of the 413,519 Option Shares to be borrowed and sold by the Forward Seller pursuant to the Underwriting Agreement. Settlement of the Additional Forward Sale Agreement is expected to occur no later than approximately 12 months following November 10, 2010. The Company intends to use any net proceeds it receives upon settlement of the Additional Forward Sale Agreement, or from any sales of shares to the Underwriters in the circumstances described in the Underwriting Agreement, to repay borrowings under its \$500 million revolving credit facility which matures on April 14, 2013 (the **Revolving Credit Facility**) that were used primarily to finance the construction costs of the Company's new Colorado Electric and Black Hills Colorado IPP power generation facilities, to fund future capital expenditures to be incurred to complete the construction of the facilities and for general corporate purposes. Upon physical settlement of the Additional Forward Sale Agreement, the Company will deliver shares of its Common Stock in exchange for cash proceeds at the then-applicable forward sale price. The forward sale price is initially equal to the public offering price less the underwriting discount and the dividend amount per share payable by the Company on December 1, 2010, and is subject to adjustment as provided in the Additional Forward Sale Agreement. However, subject to certain exceptions, the Company may elect cash or net share settlement for all or a portion of its obligations under the Additional Forward Sale Agreement. Assuming physical settlement of the Additional Forward Sale Agreement based upon the initial forward sale price of \$28.34875 per share as of the pricing date of the Offering, the Company would receive net proceeds of approximately \$11,722,747 upon settlement of the Additional Forward Sale Agreement, after deducting the underwriters' discount and commissions and before deducting estimated offering expenses.

The Offering is described in the prospectus supplement of the Company, dated November 10, 2010, together with the related prospectus dated October 22, 2009, filed with the Securities and Exchange Commission under Rule 424(b) on October 22, 2009.

The Additional Forward Sale Agreement contains various representations, warranties and agreements by the Company, conditions to closing, indemnification rights and obligations of the parties and termination provisions. The description of the Additional Forward Sale Agreement set forth above is qualified in its entirety by reference to the Additional Forward Sale Agreement. The Additional Forward Sale Agreement is filed as an exhibit to this Current Report on Form 8-K and incorporated by reference herein.

This Current Report on Form 8-K is being filed for the purpose of filing exhibits to the Registration Statement on Form S-3 (File No. 333-150669) (the Registration Statement).

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

The Registrant files the following exhibits as part of this report:

- Exhibit 1 Confirmation dated December 7, 2010.
- Exhibit 5 Opinion of Steven J. Helmers regarding the legality of the Company s common stock.
- Exhibit 23 Consent of Steven J. Helmers (included in Exhibit 5).

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/ ANTHONY S. CLEBERG
Anthony S. Cleberg
Executive Vice President
and Chief Financial Officer

Date: December 10, 2010

Exhibit Index

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