

**BLACK HILLS CORPORATION**  
**Consolidated Balance Sheets**

	2006	2005
<b>ASSETS</b>	(in thousands, except share amounts)	
Current assets:		
Cash and cash equivalents	\$ 36,939	\$ 31,817
Restricted cash	2,004	-
Accounts receivable (net of allowance for doubtful accounts of \$4,202 and \$4,685, respectively)	263,109	264,695
Materials, supplies and fuel	92,560	122,521
Derivative assets	69,244	20,681
Other current assets	9,221	7,855
Assets of discontinued operations	1,424	122,158
	474,501	569,727
Investments	23,808	27,558
Property, plant and equipment	2,242,396	1,928,559
Less accumulated depreciation and depletion	(596,029)	(518,525)
	1,646,367	1,410,034
Other assets:		
Goodwill	30,563	29,847
Intangible assets, net	24,429	27,548
Derivative assets	2,871	1,898
Other	42,137	53,646
	100,000	112,939
	\$ 2,244,676	\$ 2,120,258
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 224,009	\$ 202,639
Accrued liabilities	95,020	72,514
Derivative liabilities	24,041	26,141
Accrued income taxes	19,561	11,650
Deferred income taxes	1,215	1,456
Notes payable	145,500	55,000
Current maturities of long-term debt	17,106	11,771
Liabilities of discontinued operations	2,526	92,818
	528,978	473,989
Long-term debt, net of current maturities	628,340	670,193
Deferred credits and other liabilities:		
Deferred income taxes	174,332	134,533
Derivative liabilities	1,530	2,623
Other	116,297	95,116
	292,159	232,272
Minority interest	5,158	4,925
Commitments and contingencies (Notes 6, 7, 8, 13, 17, 18 and 19)		
Stockholders' equity:		
Common stock equity –		
Common stock \$1 par value; 100,000,000 shares authorized; issued: 33,404,902 shares in 2006 and 33,222,522 shares in 2005	33,405	33,223
Additional paid-in capital	409,826	404,035
Retained earnings	348,245	313,217
Treasury stock at cost – 35,700 shares in 2006 and 66,938 shares in 2005	(920)	(1,766)
Accumulated other comprehensive loss	(515)	(9,830)
	790,041	738,879
	\$ 2,244,676	\$ 2,120,258

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