Service Date: April 24, 1979

RF

READING FILE

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

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IN THE MATTER of the Application of BLACK HILLS POWER AND LIGHT COMPANY to issue and sell common stock.	DOCKET NO. 6656 ORDER NO. 4501

On March 16, 1979, BLACK HILLS POWER AND LIGHT COMPANY, hereinafter referred to as "Applicant", a corporation organized and existing under and by virtue of the laws of the State of South Dakota, and qualified to transact business in Montana, filed with the Public Service Commission of Montana, its verified application, pursuant to Sections 69-3-501 through 69-3-507, MCA (Sections 70-117.1 through 70-117.6, RCM 1947) requesting an order authorizing Applicant to issue and sell shares of its authorized and unissued common stock, par value $1 per share, hereinafter referred to as "Additional Common Stock". The application is supported by exhibits and data in accordance with the rules and regulations of the Commission governing the authorization and issuance of securities by electric and gas utility companies operating within Montana.

Reference is made to the annual reports of Applicant on file with the Commission with respect to the general character of Applicant's business in the territory served by it.

Applicant proposes to issue and sell the Additional Common Stock through an underwriting agreement referred to herein as "Purchase Agreement" between Applicant and Merrill Lynch, Pierce, Fenner & Smith, Inc. as representative of several underwriters

and which underwriters will in turn offer the Additional Common Stock to the public. The Additional Common Stock will be entitled to full voting privileges; and rights to dividends as and when declared by the Board of Directors, all as limited and defined in Applicant's Articles of Incorporation as amended, and in Applicant's Mortgage Indenture as amended, which instruments are on file as exhibits to the application of the Applicant, reference to which is hereby made. The Additional Common Shares will not have preemptive or other subscription rights.

Applicant proposes to apply the net proceeds from the sale of the Additional Common Stock for additions and improvements to its properties and reduction of bank loans obtained for such purposes.

The application sets forth counsel who will pass upon the legality of Additional Common Stock and the other regulatory authorizations required and the propriety of the proposed issue.

Having fully considered the application and all the data and records pertaining thereto on file with the Commission and being fully advised in the premises, the Commission makes the following:

FINDINGS OF FACT

1. That the Applicant is a corporation organized and existing by virtue of the laws of the State of South Dakota and is qualified to transact business in the State of Montana.

2. The Applicant is operating as a public utility as defined in Sections 69-3-101 through 69-3-102, MCA (70-103, RCM 1947) and as such is engaged in furnishing electric service in Montana.

3. That the Commission has jurisdiction over the subject matter of said application under Sections 69-3-501 through 69-3-507, MCA (70-117.1 through 70-117.6, RCM 1947).

4. Applicant proposes to sell the Additional Common Stock pursuant to the terms of a Purchase Agreement between the Company and Merrill Lynch, Pierce, Fenner & Smith, Inc. as representative of several underwriters, said Purchase Agreement having been filed with Applicant's application express reference to which is hereby made.

5. A Registration Statement relative to the Additional Common Stock has been filed with the Securities and Exchange Commission under the Securities Act of 1933.

6. The Additional Common Stock will be entitled to full voting privileges, and rights to dividends as and when declared by the Board of Directors, all as limited and defined in Applicant's Articles of Incorporation, as amended, and in Applicant's Mortgage Indenture, as amended, which instruments are on file as exhibits with the application, express reference to which is hereby made.

7. The holders of the Additional Common Stock have no preemptive rights to subscribe to any issue of stock or other securities of any class of Applicant.

8. That public notice of the filing of said application was given on March 30, 1979, in the Ekalaka Eagle and no protests nor requests for formal hearing were received ay April 20, 1979.

9. No determination has been made of the offering price to the public nor the underwriters' commission.

CONCLUSIONS OF LAW

The securities transactions proposed by Applicant, as hereinafter authorized, will be for a lawful purpose and is consistent with the proper performance by Applicant of service as a public utility; and the aggregate amount of the securities outstanding and proposed to be outstanding will not exceed the fair value of the properties and business of Applicant.

ORDER

NOW THEREFORE, at a session of the Public Service Commission of the State of Montana, held in the offices at Helena, Montana, there regularly comes before the Commission the matters and things in Docket No. 6656 and the Commission being fully advised in the premises orders:

(1). That Applicant is hereby authorized to issue and sell 350,000 shares of its Additional Common Stock.

(2) That Applicant shall file with the Commission, as soon as it becomes available, the details and terms of the proposed Purchase Agreement with Merrill Lynch, Pierce, Fenner and Smith, Inc., the offering price of the stock, the underwriters' commission and a detailed statement of the actual expenses and actual

proceeds realized from the sale authorized herein.

(3). That Applicant shall use the proceeds of the sale of such Additional Common Stock after paying its expenses of the sale for the purposes as set forth in the application.

(4). Section 69-3-507, MCA (Section 70-117.6, RCM 1947) provides that neither the issuance of securities by Applicant pursuant to the provisions of this Order, nor any other act or deed done or performed in connection therewith, shall be construed to obligate the State of Montana to pay or guarantee in any manner whatsoever any security authorized, issued, assumed or guaranteed hereunder.

(5). The approval of this application shall not be construed as precedent to prejudice any future action of this Commission.

(6). Issuance of this Order does not mean acceptance of Applicant's exhibits or other material accompanying the application for any purpose other than the issuance of this Order.

DONE IN OPEN SESSION at Helena, Montana this 23rd day of April, 1979, by a vote of 5 - 0 .

BY ORDER OF THE PUBLIC SERVICE COMMISSION:

Gordon E. Bollinger, Chairman

Clyde Jarvis, Commissioner

Thomas J. Schneider, Commissioner

James R. Shea, Commissioner

George Turman, Commissioner

ATTEST:

Madeline L. Cottrill
Commission Secretary

(SEAL)

NOTICE: You are entitled to judicial review of the final decision in this matter. If no Motion for Reconsideration is filed, judicial review may be obtained by filing a petition for review within thirty (30) days from the service of this Order. If a Motion for Reconsideration is filed, a Commission order is final for purpose of appeal upon the entry of a ruling on that motion, or upon the passage of ten (10) days following the filing of that motion. cf. The Montana Administrative Procedure Act, esp. Sections 2-4-701 through 2-4-704, MCA (sec. 82-4216, RCM 1947); and Commission Rules of Practice and Procedure, esp. 38-2.2(64)P2750, ARM.