

Selected Financial and Operating Statistics

Years Ended December 31,	2006	2005	2004	2003	2002
Total Assets (in thousands)	\$ 2,244,676	\$ 2,120,258	\$ 2,029,588	\$ 2,044,555	\$ 1,985,358
Property, Plant and Equipment (in thousands)					
Total property, plant and equipment	\$ 2,242,396	\$ 1,928,559	\$ 1,778,615	\$ 1,698,411	\$ 1,527,303
Accumulated depreciation and depletion	(596,029)	(518,525)	(465,845)	(395,518)	(348,097)
Capital Expenditures (in thousands)	\$ 308,450	\$ 208,856	\$ 90,974	\$ 116,691	\$ 303,191
Capitalization (in thousands)					
Long-term debt, net of current maturities	\$ 628,340	\$ 670,193	\$ 733,581	\$ 868,459	\$ 540,958
Preferred stock equity	-	-	7,167	8,143	5,549
Common stock equity	790,041	738,879	728,598	701,604	529,614
Total capitalization	\$ 1,418,381	\$ 1,409,072	\$ 1,469,346	\$ 1,578,206	\$ 1,076,121
Capitalization Ratios					
Long-term debt, net of current maturities	44.3%	47.6%	49.9%	55.0%	50.3%
Preferred stock equity	-	-	0.5	0.5	0.5
Common stock equity	55.7	52.4	49.6	44.5	49.2
Total	100.0%	100.0%	100.0%	100.0%	100.0%
Total Operating Revenues (in thousands)	\$ 656,882	\$ 613,541	\$ 445,543	\$ 559,315 ⁽¹⁾	\$ 348,784
Net Income Available for Common (in thousands):					
Retail services	\$ 24,188	\$ 20,119	\$ 19,209	\$ 23,999	\$ 30,138
Wholesale energy	55,372	26,164 ⁽²⁾	40,862	42,961 ⁽²⁾	35,445
Corporate expenses and intersegment eliminations	(5,514)	(13,491)	(3,790)	(7,970)	(3,342)
Income from Continuing Operations Before Changes in Accounting Principles	74,046	32,792	56,281	58,990	62,241
Discontinued operations	6,973	628	1,692	7,427	(1,685)
Changes in accounting principles, net of tax	-	-	-	(5,195)	896
Preferred dividends	-	(159)	(321)	(258)	(223)
	\$ 81,019	\$ 33,261	\$ 57,652	\$ 60,964	\$ 61,229
Dividends Paid on Common Stock (in thousands)	\$ 43,960	\$ 42,053	\$ 40,210	\$ 37,025	\$ 31,116
Common Stock Data (in thousands)					
Shares outstanding, average	33,179	32,765	32,387	30,496	26,803
Shares outstanding, average diluted	33,549	33,288	32,912	31,015	27,167
Shares outstanding, end of year	33,369	33,156	32,478	32,298	26,933
Earnings Per Share of Common Stock (in dollars) ⁽³⁾					
Basic earnings (losses) per average share –					
Continuing operations	\$ 2.23	\$ 1.00	\$ 1.73	\$ 1.93	\$ 2.31
Discontinued operations	0.21	0.02	0.05	0.24	(0.06)
Change in accounting principle	-	-	-	(0.17)	0.03
Total	\$ 2.44	\$ 1.02	\$ 1.78	\$ 2.00	\$ 2.28
Diluted earnings (losses) per average share –					
Continuing operations	\$ 2.21	\$ 0.98	\$ 1.71	\$ 1.90	\$ 2.29
Discontinued operations	0.21	0.02	0.05	0.24	(0.06)
Changes in accounting principles	-	-	-	(0.17)	0.03
Total	\$ 2.42	\$ 1.00	\$ 1.76	\$ 1.97	\$ 2.26
Dividends Paid per Share	\$ 1.32	\$ 1.28	\$ 1.24	\$ 1.20	\$ 1.16
Book Value Per Share, End of Year	\$ 23.68	\$ 22.28	\$ 22.43	\$ 21.72	\$ 19.66
Return on Average Common Stock Equity (year-end)	10.6%	4.5%	8.1%	9.9%	11.8%

Selected Financial and Operating Statistics (continued)

Years Ended December 31,	2006	2005	2004	2003	2002
Operating Statistics:					
Generating capacity (MW):					
Utility (owned generation)	435	435	435	435	435
Utility (purchased capacity)	50	50	50	55	60
Independent power generation ⁽⁴⁾	989	1,000	1,004	1,002	950 ⁽⁵⁾
Total generating capacity	1,474	1,485	1,489	1,492	1,445
Electric utility sales (MW-hours):					
Retail electric sales	1,632,352	1,582,841	1,509,635	1,536,836	1,515,635
Contracted wholesale sales	647,444	619,369	614,700	614,888	757,051
Wholesale off-system	942,045	869,161	926,461	773,801	673,051
Total utility electric sales	3,221,841	3,071,371	3,050,796	2,925,525	2,945,737
Electric and gas utility sales:					
Electric MW-hours	919,938	889,210	-	-	-
Gas sales Dth	4,387,767	4,062,590	-	-	-
Oil and gas production sold (MMcfe)					
Oil and gas production sold (MMcfe)	14,414	13,745	12,595	10,843	7,398
Oil and gas reserves (MMcfe)	199,092	169,583	173,417	156,396	57,793
Tons of coal sold (thousands of tons)					
Tons of coal sold (thousands of tons)	4,717	4,702	4,780	4,812	4,052
Coal reserves (thousands of tons)	285,000	290,000	294,000	263,000	273,000
Average daily marketing volumes:					
Natural gas physical sales (MMBtu)	1,598,200	1,427,400	1,226,600	897,850	683,500
Crude oil physical sales (Bbls) ⁽⁶⁾	8,800	-	-	-	-

Certain items related to 2002 through 2005 have been restated from prior year presentations to reflect the classification of the oil marketing and transportation business as discontinued operations in 2006 (see Notes 1 and 16 of Item 8. Financial Statements and Supplementary Data).

- (1) Includes \$114.0 million of contract termination revenue.
- (2) Impairment charges recorded to reduce the carrying value of long-lived assets to fair value were approximately \$33.9 million after-tax in 2005, and approximately \$76.2 million after-tax in 2003.
- (3) In May 2003 we issued 4.6 million common stock shares, which dilute our earnings per share in subsequent periods.
- (4) Includes 40 MW in 2004 and 2003, respectively and 82 MW in 2002, which have been reported as "Discontinued operations."
- (5) Includes the 224 MW expansion at the Las Vegas cogeneration power plant that was placed in service on January 3, 2003.
- (6) Represents crude marketing activities in the Rocky Mountain region, which began May 1, 2006.

For additional information on our business segments see – ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS, ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK AND NOTE 20 TO THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS IN THIS ANNUAL REPORT ON FORM 10-K.

Cumulative Total Return

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN

Among Black Hills Corporation, The S & P 500 Index, and The S&P MidCap Electric Utilities, assuming the investment of \$100 on December 31, 2001, and the reinvestment of all dividends.

