

GLOSSARY OF TERMS

The following terms and abbreviations appear in the text of this report and have the definitions described below:

AFUDC	Allowance for Funds Used During Construction	EITF 99-19	EITF Issue No. 99-19, "Reporting Revenue Gross as a Principal versus Net as an Agent"
Allegheny	Allegheny Energy Supply Company, LLC	EITF 02-3	EITF Issue No. 02-3, "Issues Involved in Accounting for Derivative Contracts Held for Trading Purposes and Contracts Involved in Energy Trading and Risk Management Activities"
AOCI	Accumulated Other Comprehensive Income	EITF 03-11	EITF Issue No. 03-11, "Reporting Realized Gains and Losses on Derivative Instruments That Are Subject to FASB Statement No. 133 and not "held for trading purposes" as defined by Issue No. 02-3"
APB	Accounting Principles Board	EITF 04-6	EITF Issue No. 04-6, "Accounting for Stripping Costs Incurred during Production in the Mining Industry"
APB 25	APB Opinion No. 25, "Accounting for Stock Issued to Employees"	EITF 04-13	EITF Issue No. 04-13, "Accounting for Purchases and Sales of Inventory with the Same Counterparty"
Aquila	Aquila, Inc.	Enserco	Enserco Energy Inc., a wholly-owned subsidiary of Black Hills Energy, Inc.
ARO	Asset Retirement Obligations	EPA	U. S. Environmental Protection Agency
Basin Electric	Basin Electric Power Cooperative	EPA 2005	Energy Policy Act of 2005
Bbl	Barrel	ESPP	Employee Stock Purchase Plan
Bcf	Billion cubic feet	EWG	Exempt Wholesale Generator
Bcfe	Billion cubic feet equivalent	FASB	Financial Accounting Standards Board
BHC Pension Plan	The Pension Plan of Black Hills Corporation	FERC	Federal Energy Regulatory Commission
BHCCP	Black Hills Corporation Credit Policy	FIN 45	FASB Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others"
BHCRPP	Black Hills Corporation Risk Policies and Procedures	FIN 46	FASB Interpretation No. 46, "Consolidation of Variable Interest Entities"
BHEC	Black Hills Energy Capital, Inc.	FIN 46(R)	FASB Interpretation No. 46, "Consolidation of Variable Interest Entities Revised"
BHEP	Black Hills Exploration and Production, Inc., a direct, wholly-owned subsidiary of Black Hills Energy, Inc.	FIN 48	FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes – an Interpretation of FASB Statement 109"
BHER	Black Hills Energy Resources, Inc., a direct, wholly-owned subsidiary of Black Hills Energy, Inc.	FSP	FASB Staff Position
Black Hills Corporation Plan	Black Hills Corporation Retirement Savings Plan	FSP 123(R)-3	FSP No. FAS 123(R)-3, "Transition Election Related to Accounting for the Tax Effects of Share-Based Payment Awards"
Black Hills Energy	Black Hills Energy, Inc., a direct, wholly-owned subsidiary of the Company	GAAP	Generally Accepted Accounting Principles
Black Hills Generation	Black Hills Generation, Inc., a direct, wholly-owned subsidiary of Black Hills Energy, Inc.	GCA	Gas Cost Adjustment
Black Hills Power	Black Hills Power, Inc., a direct, wholly-owned subsidiary of the Company	Great Plains	Great Plains Energy Incorporated
Black Hills Wyoming	Black Hills Wyoming, Inc., an indirect, wholly-owned subsidiary of Black Hills Energy, Inc.	Indeck	Indeck Capital, Inc.
Btu	British thermal unit	LIBOR	London Interbank Offered Rate
Cheyenne Light	Cheyenne Light, Fuel and Power Company, a direct, wholly-owned subsidiary of the Company	LOE	Lease Operating Expense
Cheyenne Light Pension Plan	The Cheyenne Light, Fuel and Power Company Pension Plan	Las Vegas I	Las Vegas I gas-fired power plant
Cheyenne Light Plan	Cheyenne Light, Fuel and Power Company Retirement Savings Plan	Las Vegas II	Las Vegas II gas-fired power plant
CRPP	Commodity Risk Policies and Procedures	MAPP	Mid-Continent Area Power Pool
CT	Combustion turbine	Mbbl	Thousand barrels of oil
Dth	Dekatherms	Mcf	Thousand cubic feet
ECA	Electric Cost Adjustment		
EITF	Emerging Issues Task Force		
EITF 91-6	EITF No. 91-6, "Revenue Recognition of Long-Term Power Sales Contracts"		
EITF 98-10	EITF Issue No. 98-10, "Accounting for Contracts involving Energy Trading and Risk Management Activities"		

Mcfe	Thousand cubic feet equivalent	SFAS 87	SFAS 87, "Employers' Accounting for Pensions"
MDU	Montana Dakota Utilities Company	SFAS 106	SFAS 106, "Employer's Accounting for Post-retirement Benefits Other Than Pensions"
MEAN	Municipal Energy Agency of Nebraska	SFAS 109	SFAS 109, "Accounting for Income Taxes"
MMBtu	Million British thermal units	SFAS 123	SFAS 123, "Accounting for Stock-Based Compensation"
MMcf	Million cubic feet	SFAS 123(R)	SFAS 123 (Revised 2004), "Share-Based Payment"
MMcfe	Million cubic feet equivalent	SFAS 133	SFAS 133, "Accounting for Derivative Instruments and Hedging Activities"
Moody's	Moody's Investor Services, Inc.	SFAS 142	SFAS 142, "Goodwill and Other Intangible Assets"
MTPSC	Montana Public Service Commission	SFAS 143	SFAS 143, "Accounting for Asset Retirement Obligations"
MW	Megawatts	SFAS 144	SFAS 144, "Accounting for the Impairment of Long-lived Assets"
MWh	Megawatt-hour	SFAS 157	SFAS 157, "Fair Value Measurements"
NPC	Nevada Power Company	SFAS 158	SFAS 158, "Employer's Accounting for Defined Benefit Pension and Other Postretirement Plans, an Amendment of FASB Statements No. 87, 88, 106 and 132(R)"
NPDES	National Pollutant Discharge Elimination System	SFAS 159	SFAS 159, "The Fair Value Option for Financial Assets and Financial Liabilities"
PCBs	Polychlorinated Biphenyls	SO2	Sulfur Dioxide
PPM	PPM Energy, Inc.	S&P	Standard & Poor's Rating Services
PSCo	Public Service Company of Colorado	TSA	Transmission Service Agreement
PUHCA	Public Utility Holding Company Act of 1935	VaR	Value-at-Risk
PURPA	Public Utility Regulatory Policies Act of 1978	VIE	Variable Interest Entity
QF	Qualifying Facility	WDEQ	Wyoming Department of Environmental Quality
RCRA	EPA Resource Conservation and Recovery Act	WECC	Western Electricity Coordinating Council
SCE	Southern California Edison	WPSC	Wyoming Public Service Commission
SDPUC	South Dakota Public Utilities Commission	WRDC	Wyodak Resources Development Corporation, a direct, wholly-owned subsidiary of Black Hills Energy, Inc.
SEC	U. S. Securities and Exchange Commission		
SFAS	Statement of Financial Accounting Standards		
SFAS 13	SFAS 13, "Accounting for Leases"		
SFAS 69	SFAS 69, "Disclosures about Oil and Gas Producing Activities – an amendment of FASB Statements 19, 25, 33 and 39"		
SFAS 71	SFAS 71, "Accounting for the Effects of Certain Types of Regulation"		