“And I saw the sacred hoop of my people was one of the many hoops that made one circle, wide as daylight and as starlight, and in the center grew one mighty flowering tree to shelter all the children of one mother and one father.”

BLACK ELK (Hehaka Sapa), Holy Man, Lakota
Soon after the miners on horseback arrived in the Black Hills, merchants followed. A determined entrepreneur believed that with illumination came civilization. Only four years after Edison’s invention of the carbon filament incandescent lamp, the entrepreneur ordered the dynamo, the wire, the lights and the globes to illuminate the brawling frontier town of Deadwood. For weeks he waited for the equipment to arrive. The system cost him a small fortune. He had no idea if he would earn his money back.
The blaze of light forced the curious to shield their eyes. The row of 15 bare arc lamps in front of them burned so brightly that it was “as though the sun had taken position in one corner [of the building] at noonday.” For Judge Squire P. Romans, the sight must have been exhilarating. Four years and nearly 1,800 miles from the scene of Thomas Edison’s first successful demonstration of the incandescent lamp in New Jersey in 1879, electric illumination had come to Deadwood, South Dakota.

Romans had been working for months to secure the right of way for electric lines, raise capital from investors, pre-sell service to merchants, and order the dynamo, wire, incandescent arc bulbs, and globes. To finance and coordinate this activity, he and two other Deadwood men – Colonel Pilcher and a Mr. Bower – had organized the Pilcher Electric Light Company of Deadwood on September 17, 1883 and put their own capital into the business. Romans alone planned to invest $15,000. It was a big bet on an uncertain technology.

Local newspapers reported on all of this activity during the fall of 1883, raising expectations and inciting some skepticism. With a wire running from Mount Moriah to Forest Hill, one newspaper reported, “the dark valley of the Whitewood [will be] illuminated as with a midday sun.” The paper facetiously suggested that the cost of this illumination “is represented to be cheaper than moonlight.”

Eager to counter these newspaper exaggerations with a practical demonstration, Romans was frustrated by shipping delays. Everything he ordered came by rail to eastern South Dakota, and then had to be shipped by ferry and stagecoach to the Black Hills.

By the first week of December the 40-horse power dynamo, boilers, shafts, pulleys, and wire arrived. Poles had been set and the lamps were ready to hang. But the glass globes that would soften the brilliance of the bulbs had been delayed for weeks. Ice flows in the Missouri River made it difficult to ferry the cargo across, and the globes, which were packed “in a cask so large it was impossible to get it on a stage coach,” had to be repackaged for the rough trip across the prairie.

Impatient, Romans decided to show off the system without the globes. He and his crew set up the dynamo and boilers in a building on Miller Street. They lined up the 15 lamps in a row on one side of the building. With the roar of the boilers in the background, a Friday night crowd waited expectantly. Then they heard the sound of the engine starting up. “The machine worked evenly and perfectly,”
according to one newspaper report, “and the light was simply dazzling.”

Merchants, miners and townspeople who were in awe of the new technology offered congratulations to Romans and his partners. To many ordinary Americans at the end of the 19th century, electricity was a magical force. People thought its mysterious powers were associated with spirits, could be used to cure disease, or summoned to produce light, heat and fire. In some places when the lights were turned on for the first time, crowds fell silent, thunderstruck by the transformation of the darkness.

Soon after his wondrous demonstration, Romans was “hard at work all the time putting in his electric wires.” Bews & Allen ordered a light for the front of their club rooms so the Faro players could see their cards and the eyes of the men across the table. Wardner & Baxter – purveyors of “fine wines,” liquor and cigars – signed on for service to guide customers along the dirty wooden sidewalks to their store after dark. But when the system was finally powered near Christmas, it proved to be unsteady. According to one observer, the light was “very imperfect. It ‘flickered’ as though possessed, and finally expired.”

Delays and technical difficulties underscored the risk that Romans and his partners faced. The machinery and equipment for producing and distributing electric power was still immature, unreliable and ever-changing as inventors searched for more efficient and effective ways to produce and distribute electricity. Innovation voraciously consumed capital. To finance his business, Romans was already looking for new investors, as well as for more customers. And there was always the risk that he and his partners would not be able to repay the money that the investors had put into the business. In a town full of gamblers, Romans and his partners had placed a very big bet.

Over the next 125 years, Romans’ business would grow and combine with more than a dozen other frontier electric companies in western South Dakota and eastern Wyoming. The culture of the surviving company, colored by the values of the people who settled in the region, would emphasize innovation without fanfare, service and reliability to local communities, hard work for fair pay, a practical acceptance of government regulation in exchange for a fair profit and a financial conservatism that focused on increasing

The pan and shovel days of the gold rush were gone by the late 1880s. The Deadwood and Delaware Smelter was the largest reduction plant in the world when it opened. Gold and silver worth nearly $2 million a year ($47 million in 2007 dollars) were melted from massive quantities of ore excavated by hard rock miners.
Engineers, posed with their surveying equipment, laid out a route through the Black Hills for the Deadwood Central Railroad.
value over the long-run for the company’s shareholders and customers.

This book offers an overview of the history of the companies that have become Black Hills Corporation. Known by many names over the years, these companies share a common heritage. Almost all are products of the settlement and development of the Great Plains and Rocky Mountain regions. Their histories reflect various transformations in the electric and gas utility industries. From entrepreneurial beginnings, local firms were engulfed by large national holding companies. They regained their independence with the government-led breakup of these holding companies during the Great Depression. In the post-World War II years, they became vital to the regional economic development of cities in the heartland of the nation. Buffeted by the storms of deregulation and privatization that swept through the economy in the 1980s and 1990s, they were brought together by the 2000-2001 collapse of the internet, telecommunications, and energy trading investment bubbles. Today, these energy development and trading businesses, combined with electric and gas utilities, deliver service and products to hundreds of thousands of customers in the United States.

People made the history of this company. Entrepreneurs risked their own savings to launch businesses in small communities. Workers from a wide variety of ethnic backgrounds moved dirt to build dams, hammered wooden flumes into place, shoveled coal to feed furnaces, raised poles to string transmission lines, typed orders for parts, greeted customers to provide service, trimmed trees to prevent fires, walked neighborhoods to read meters, calculated rates to prepare bills and extended help to neighbors in need. Generations of leaders imagined a better future for their communities. With their efforts they contributed to the prosperity of their communities and helped Black Hills Corporation grow for more than 125 years.

But the path was not always easy.

Twelve years after the gold rush began, Deadwood’s main street was lined with stores, hotels and saloons. When the new smelter was completed in 1888, residents cheered as a parade marched through the center of town.
“The incandescent system was inaugurated in this city yesterday and last evening the white inside lights were the object of attention and admiration...”

RAPID CITY DAILY JOURNAL
As gold miners exchanged the pan for a paycheck, electricity played a growing part in the economic development of the Black Hills. Ordinary citizens told tall tales to explain the miracles of electricity and took pride in each new streetlight. Mechanics and budding electricians struggled with the industry’s ever-changing and non-standardized technology. Meanwhile, entrepreneurs lobbied frontier city councils for the right to provide electrical service to residents and businesses in the region’s dusty towns.
To some Deadwood residents, the arrival of the electric light provided evidence of the town’s transition from a brawling frontier boomtown to a stable and growing community. Deadwood had become a booming city of tents in 1876 after rich deposits of gold were discovered in the waters feeding Whitewood Creek. Miners who heard the news came from the camps of Colorado, Montana and Nevada. Farmers who suffered the devastation of a series of grasshopper plagues abandoned their fields to pan the streams of the northern Black Hills. Workers laid off from factories and railroads in the cities of the Midwest and the East during a nationwide depression came west to try their luck.

Some rode the transcontinental railroad to Sidney, Nebraska or to Cheyenne, Wyoming and then came north to the Black Hills on horseback. Others travelled overland from Sioux City and other spots in the eastern half of Dakota Territory or voyaged in a river boat up the Missouri River to Fort Pierre and then journeyed west. No matter what path they took, most of these new immigrants sought to avoid contact with the long-time residents of the Black Hills region – the Lakota people.

Having fought a war to a standstill against the invading Army of the United States, the Lakota signed a treaty at Fort Laramie in 1868. Under the treaty, the United States recognized the Lakota claim to the Black Hills and promised to protect the region from white settlers. After the discovery of gold in the Black Hills by a military exploration led by Gen. George Armstrong Custer in 1874, white prospectors began to circumvent the Army and enter the Hills illegally. Unable or unwilling to stem the tide, the Army abandoned its promise and efforts by the end of 1875. Less than two years later, there were nearly 5,500 people in the Deadwood and Whitewood areas. Meanwhile, in other parts of the Black Hills, prospectors panned the streams and dug into the hillsides searching for gold. In 1876 alone, all of these miners extracted an estimated $1.5 million worth of gold from the Black Hills, a sum equal to $30 million today.

Miners needed food and building supplies and wanted entertainment. Mercantile stores, lumber yards, and saloons sprang up to meet the demand. A city government formed after the town was laid out on April 26, 1876. According to historian Watson Parker, E.B. Farnum, the mayor of Deadwood and a local merchant, “was often seen seated on a sack of flour or flitch of bacon, dispensing justice and groceries with equal impartiality.”

Tents gave way to permanent structures. After a devastating fire in 1879, the town rebuilt. By the time Romans and his partners installed their

With the Black Hills gold rush, the U.S. Army abandoned efforts to keep Americans out of Lakota treaty lands. By 1891, most Lakota families had been forced to live on reservations.
electric lights, Deadwood could brag about its retail establishments and accommodations. The potential demand for electric light was strong, and so was the demand for electric power. As placer miners emptied the streambeds of gold, prospectors increasingly turned to hydraulic and quartz mining which entailed more equipment, labor and capital. It also required power.

PATH OF THE SPARK
The ability of unseen forces to generate light and do work had long fascinated the human imagination. The ancients speculated on the power of the wind. Galileo and Newton described the force of gravity. By the mid-18th century, scientists such as Benjamin Franklin were fascinated with the properties of electricity. After Michael Faraday discovered the principles of electromagnetic induction in 1831, a growing number of inventors began to look for ways to harness the power of electricity for the benefit of mankind.

Popular culture gives Thomas Edison the credit for inventing the first practical electric light bulb in 1879, but like many innovations, the electric light represented both collective work and individual inspiration. Between 1806 and 1878 various inventors created more than 20 different incandescent lamps. All failed after a relatively short use. Edison experimented with incandescent lamps in 1877, but put the work aside in favor of the development of the phonograph in the fall of that year. Over the next six months, his time was devoted to perfecting the phonograph and exhibiting the machine to astonished audiences. After a trip to Wyoming and the West in the summer of 1878, Edison returned to working on the incandescent lamp. Perhaps borrowing from his work on a tasimeter to observe a solar eclipse, Edison focused on developing a circuit-interrupting device to prevent the lamp's filament from burning out. He also studied ways to develop systems to illuminate a series of lamps. Excited by his progress, he prematurely announced his ideas to the world in October 1878 before he had perfected a long-lasting incandescent lamp. His concept was ridiculed by some. Returning to his lab, Edison and his team continued their experiments for another year. Finally, in October 1879 Edison tested a high resistance carbon filament that lasted 15 hours. With this success, he and his colleagues had achieved a major breakthrough. Before the end of the year, Edison filed for a patent on his incandescent lamp.

FISHING POLE AND FILAMENT IN WYOMING
Worn out from his research and public speaking in 1878, Thomas Edison decided to take a vacation to Wyoming to witness a solar eclipse. He rode the same railroad used by gold seekers headed for the Black Hills. After the eclipse, he joined a group of men on a hunting and fishing expedition. Near Battle Lake, someone accidentally knocked a fishing pole into a campfire. Noting the bamboo's resistance to the flame, Edison made a mental note. After he returned to New Jersey, Edison experimented with carbonized bamboo filaments for his incandescent lamp. He discovered that they lasted more than 1,200 hours.
Edison’s true genius was in developing not only a better light bulb but a whole system for generating and distributing electric power to illuminate a building, a neighborhood or even a whole city. The same year he produced a practical incandescent lamp, he also introduced an improved dynamo for generating power. In October 1878 he and his partners formed the Edison Electric Light Company to fund Edison’s continuing research. Two years later they incorporated the Edison Electric Illuminating Company of New York to build and operate a central generating plant on Pearl Street in New York City to provide power for lighting businesses and homes.

Like many young industries, the development of electric power stuttered because of competing technologies. Edison’s first systems relied on direct current (DC) which was unreliable for transmission over long distances. Nikola Tesla developed a system for using alternating current (AC). This system used transformers to “step up” the power as it left the power plant and step it down when it reached its destination. Alternating current technology allowed a single power plant to serve multiple users across a wider geography so that entrepreneurs could build bigger power plants benefitting from economies of scale. In 1892, the battle between the two competing technologies seemed to end when Thomas Edison merged his company with Thomson-Houston, a leading advocate of alternating current technology. The combined entity was renamed the General Electric Company.

The incandescent bulb provided a softer, more gentle light. It quickly became popular in homes and offices where the nightmare light produced by arc lamps was impractical.

Thomas Edison envisioned the creation of power stations to provide electricity to communities. He built the nation’s first central station on Pearl Street in New York. Power from a half dozen steam-driven dynamos lit an entire neighborhood.

Edison, Elihu Thomson and others recognized that with the invention of electric light came a need to develop a dependable system for generating and distributing electric power. Rather than establishing these systems themselves,
they instead encouraged entrepreneurs in communities across the country to form electric utility companies. Edison and Thomson then sold power-generating equipment to these investor-owned utilities.

**POWER PROLIFERATES IN THE HILLS**

Romans and his partners employed an Edison dynamo to power the electric lights they hoped would lead the development of a power company to serve the growing communities of the Black Hills. Weeks after the first demonstration of their electric light system in Deadwood, Romans announced that he and his partners had reached an agreement to sell their business to a new group of investors who would organize a company to “introduce lights into all the towns and cities of the Hills, and possibly in many of the mines.”

With the new partners came a new name – Black Hills Electric Light Company – and another effort to raise capital. In January 1884 the *Black Hills Daily Times* reported that the company would sell seven or eight thousand shares at $1.50 each to raise working capital. With these funds the company intended to continue upgrading its system. Romans then left the Hills for a two and a half month trip to the East Coast to investigate various electric lighting systems. But if Romans and his partners hoped to quickly dominate the growing market for electric service in the Black Hills, they were soon disappointed.

Other electric service pioneers planned, and a few launched, similar businesses throughout the Black Hills. Henry Keets, a former miner and rancher, joined with a dozen other investors to create the Black Hills Traction Company in 1894. They planned to build a dam and hydroelectric plant on Redwater Creek to provide power to drive a trolley to serve Belle Fourche, Spearfish, Deadwood, Whitewood and St. Onge. The plan for the electric trolley never came to fruition, but the hydroelectric project was completed in 1907 and the company began supplying energy to the mining industry instead. In Lead, local investors organized the Belt Light and Power Company in 1893 to build a steam plant in Pluma to power a direct current trolley running between Lead and Deadwood to provide lighting to the residents of Lead. By 1904, this plant supplied all the current for lighting and power that was used in Lead, Pluma, Central City and Terry.

As entrepreneurs launched power companies in other communities, Romans and his partners looked south to Rapid City. On the eastern edge of the Black Hills, Rapid City had been founded in February 1876. Commonly known as “Hay Camp” or the “Gate City,” the community...
began as a stop for stage coaches and oxen-pulled freight trains. Through “the gap” in the foothills, the roads from Pierre and Sidney, Nebraska converged at the entrance to the Black Hills. By 1885, Rapid City had grown to 2,500 people. When the railroad arrived a year later to connect Rapid City with Chadron, Nebraska, the town bustled with the construction of commercial buildings and homes and faced a growing need for infrastructure to provide water, sewers, fire protection, and power.

Romans hoped to convince city officials in Rapid City to give the Black Hills Electric Light company a franchise. He met with them to outline his plans in February 1886. The *Black Hills Daily Times* predicted he would be successful: “...for whatever else the citizens of Rapid may be deficient,” they wrote, “they certainly do not lack enterprise.” The newspaper was sure Rapid City would follow Deadwood’s lead in the move to electric light.

Romans and his partners were not the only entrepreneurs interested in meeting Rapid City’s lighting needs. City business leaders and residents debated the relative merits of electricity versus gas. Residents seemed to concede that electricity was better for street lighting: Gas lamps had to be lit every night; flames could blow out in a high wind; lamps turned black with smoke and had to be cleaned frequently. Electric street lights emitted far more light. In the home, gas light was also less effective and more dangerous. Most gas or kerosene lamps in the home emitted only enough light to equal the output of seven candles. They also burned up oxygen and emitted heat, making rooms uncomfortable on a summer night. And worse, if a flame blew out, a room could fill with gas and explode. Even with all these negatives, the lack of wiring in the 1880s in homes and the high price of electricity made gas more attractive to most residents.

Before cooling towers had been developed at the Pluma Plant, the hot water from the steam vented through the generators was sprayed over a pond beside Whitewood Creek.
The debate continued until August when the City Council awarded a franchise to the newly formed Rapid City Light and Gas Company, a locally owned enterprise. Under the terms of the franchise, the City Council reserved the right to regulate the price and hours of service. The company ordered a 45-light incandescent system and a dynamo from Thomson-Houston. They planned to install the dynamo at one of the mills in town where there was already an engine to power the dynamo. “This is a great step forward in the history of Rapid City,” the Black Hills Journal exclaimed, “and naturally follows in the wake of such improvements as the railroad, the water works and the street cars.” The newspaper proclaimed that visitors arriving in the railroad’s new palace cars would be “whirled in carriages or drawn by in street cars over graveled streets” and would “gain a much different impression than did those who came in the stage last spring.”

As construction of the new lighting system began, people in Rapid City, like most Americans, struggled to understand this amazing new technology. They watched the workers erect poles and string wire for the new street lights. “Considerable talk is heard regarding the power of the subtle fluid,” the newspaper noted, but “while there is a great deal of talk, it is an open question as to whether or not the parties talking know anything of the subject in hand.” The all-knowing sidewalk scientists asserted that electricity was responsible for everything in nature, “from earthquakes to spots on the sun’s face,” but few of them understood the science. Others didn’t care as long as the street lights worked at night.

The system didn’t work at first. In the early days of November, citizens were “disappointed from night to night” as the lights failed to operate and the disappointment “became monotonous.” But finally, on the night of November 11, “the circuit was made...and for the first time the bright, white light of the electric lamps blazed forth to put to shame the yellow blaze of the coal oil lamps.”

To meet the long-term needs of the city for power, the Rapid City Light and Gas Company built a combination water power and steam plant in the northwestern portion of the city. Power from this facility began flowing to customers in 1888. Damming Rapid Creek near the foot of “M” hill, they backed the water up for a half mile and made a beautiful lake. The water flowed through an open flume to the plant just off Oshkosh Street. Power from the water wheel drove a line shaft with three belt wheels that powered generators. The company erected arc lights powered by direct current for the streets and for the larger stores with high ceilings.

To provide the first electric power in Rapid City, a dam was constructed on Rapid Creek near the foot of “M” hill. Water from the dam flowed through an open flume to a crude hydroelectric plant just off Oshkosh Street.
A cross-section of society gathered at the southeast corner of 7th and Main Streets in Rapid City to witness a turn-of-the-century parade.
SOLVING THE PROBLEM OF DISTRIBUTION

In these early years of the industry, power generation was local because the ability to transmit electricity from point to point was limited. Through most of the 1880s, the industry relied on direct current (DC) technology which could only be transmitted about a mile from the generator. In 1889, Lucien L. Nunn, a Colorado mine owner, developed an alternating current (AC) hydroelectric generator, and with AC current he was able to transmit power over much greater distances.

The first “long distance” power lines in the United States were installed that year at a hydroelectric facility operated by the Willamette Falls Electric Company in Oregon. The first line ran 13 miles and carried 4,000 volts. A year later, California-based San Bernadino Light & Power Company constructed a 5,000-volt line that carried power 28 miles. Two years later, transmission took another leap forward when the first three-phase transmission lines were introduced, increasing the voltage to 15,000.

Long distance transmission accelerated the move to larger, more centralized power plants.

Lemuel K. Green was tight with his money but he would take a chance if he saw an opportunity. Born in 1860, Green came of age on his family’s homestead in Osborne County, Kansas. A fervent Methodist with a solid work ethic, Green launched several flour milling operations as a young man. He also experimented with electricity.

Green started by wiring his home. He installed electric lights, an early electric washing machine and even an unsuccessful electric-powered dishwasher. Convinced of the potential for electric power, he sold his flour milling operations in 1908 and purchased the Concordia Electric Light Company for the princely sum of $21,500.

Concordia owned a hydroelectric plant on the Republican River and provided service to a gristmill and residential customers in Osborne. Green soon installed transmission lines to serve several nearby towns. To help finance the system, Green convinced local voters to approve bonds to build the transmission lines. His construction crew often included his two sons, Ralph and Lawrence.

Within a matter of years, L.K. Green & Sons Electric Light and Power was serving 22 communities in northern Kansas. Nine years later Green sold his hydroelectric plant for $550,000. With this cash he built a new company that would become Missouri Public Service and later part of the Aquila Family.
Standardization helped the expansion of the electric industry tremendously and the success of alternating current technologies also enabled more rapid development of electric motors for industrial and domestic applications. By 1910, households across the country were using alternating current, generated at 60 cycles, transmitted at high voltages, and then stepped down by transformers for delivery to the home.

POWER AIDED THE SEARCH FOR GOLD
As gold miners exhausted what could be panned or culled from streams or the debris of hydraulic surface mining, capitalists moved in to dig for ore. To illuminate the work underground, the first miners used candles. Electric lights quickly replaced candles. Electric circuits provided communications. Electric power became essential to the modernization of mining and the extraction of gold from the ore.

Although hard rock mines proliferated in the Black Hills in the 1880s, the most successful and important to the history of electricity in the region was the Homestake Mine in Lead. The Homestake originated from a claim filed by the Manuel brothers in April 1876. They sold their claim to San Francisco mining entrepreneur George Hearst the following year. Hearst understood industrial mining, having made one fortune already in the Comstock silver mines of Nevada and having developed mines in other parts of the West. With his partners, Hearst incorporated the Homestake Mining Company in San Francisco on November 5, 1877, and soon the company had to invest in infrastructure for underground, hard-rock mining.

As the potential uses of electricity became apparent in the 1880s, Hearst and his partners incorporated this new technology in their operations. Hearst purchased an Edison dynamo to provide power to 75 lamps in the Star Mill during the winter of 1888. Toward the end of the 19th century, the Homestake and other gold mines began to look at using electric power to drive the stamp mills that crushed the ore. A hydroelectric plant built at Englewood powered a generator that delivered 300 to 400 kilowatts (kW) of power used to operate two stamp mills that crushed ore at Monroe and Mineral Point. Mine operators doubted the utility of electric power in this era, but the success of the Englewood plant changed their minds. Except for an occasional outage caused by lightning,

TOWNS LOST TO HISTORY
Small towns developed around mining operations throughout the Black Hills. Near Lead, the children of the town of Terry walked dirt streets between wood frame buildings with clear cut hillsides behind them. Electricity soon powered the hoists and mills in Terry, as well as other small mining towns. The community of Terry became famous in 1903 when Calamity Jane died there, but it was soon lost to history. After the mine closed during World War II, Terry became a ghost town.
the hydroelectric facility delivered a more dependable source of power than the coal-fired engines used at the time. With the success of electric power at Monroe and Mineral Point, Homestake began to install electric motors to drive many small engines in the Slime Plant in Deadwood. Over the next several years, the company installed electric drives in its regrinding plant, pattern shop, and foundry.

The Pocahontas Mill was converted to electric power when the mill boilers showed signs of wearing out. In 1910, the two Cyanide Plants were also converted to electric motors.

As the company’s need for electricity increased, the company looked to develop a reliable source of power. Rumors were rampant as early as November 1899 that Homestake was buying water rights on Spearfish Creek “to put in a gigantic electrical plant” that would furnish power to its stamp mills in Lead and provide power “for the whole Black Hills country.” According to The Wall Street Journal, electric power would lower the costs of the mining industry and make a number of mines in the region profitable. In 1907, Homestake began to develop plans for this hydroelectric plant in Spearfish Canyon and in 1909 the construction began. When the plant was completed and brought into service in April 1912 the company converted its three stamp mills in Lead to electric power. The supply of electricity from Spearfish allowed Homestake to satisfy its own demand without having to rely on additional power supplied by the Belt Light & Power Company of Lead.

Homestake continued to rely on Belt Light & Power to provide auxiliary power for several years, particularly when water in Spearfish Canyon ran low. Soon, however, the company decided to build its own central steam-boiler plant and steam-turbine power station in Lead. Homestake also converted its pumping
Deadwood Gold began to proclaim that it was the capital of the “Richest 100 Square Miles on Earth.” Bank deposits per capita in Deadwood rose to 2.5 times the national average in 1904. Although Lead had more people, Deadwood continued to be the commercial focal point for a vast region that encompassed eastern Wyoming and western

By the turn of the century, as immigrants from Europe poured into New York and other eastern cities and Chicago swelled with factories and stockyards to feed the nation, the Black Hills communities were still dependent on the wealth produced by the mining companies. Rapid City suffered from the prolonged drought and economic depression of the 1890s, but began to grow again in the latter part of the decade. In 1899, the newspaper proudly noted that Rapid City was home to a growing number of industrial enterprises including the largest chlorination plant in the world, capable of processing 150 tons of gold ore each day. Adjacent to the 12-year-old South Dakota School of Mines, two large mills operated by water power supplied the residents of the community as well as two Indian agencies with flour. In another part of town, a large manufacturer produced bricks for buildings and homes.

Despite Rapid City’s growth, the northern Black Hills continued to enjoy greater prosperity. With the introduction of cyanide as a way to more efficiently and effectively extract gold from ore, the mining interests enjoyed a second boom at the turn of the century. Homestake had one of the largest and most sophisticated power generating operations in the Black Hills in the 1910s, but other entrepreneurs were also working on expanding the supply of electric power in the region. Many of them became fierce competitors.

Inside the Terraville mills between Lead and Deadwood, Homestake Mining Company workers cleaned up the dust and debris from hours of stamping and crushing.

EXPANSION CONTINUES

Fred Evans advertised his “plunge bath” in Hot Springs as the largest in the United States when this picture was taken in 1891. Visitors arriving by rail to spend time at the spa helped make tourism an important part of the Black Hills economy.
South Dakota. Together, the two communities accounted for nearly 17,000 residents by 1908. The relative wealth of the population and the growth of the mining industry fed the demand for electric power.

As the mining industry matured, agriculture continued to develop in the Black Hills region. New settlers contributed to an increase in the production of cattle and crops. The region’s Wild West reputation and scenic beauty also offered attractions to tourists from the east. After businessman Fred Evans built a resort in Hot Springs, the Black Hills became a haven for city dwellers from the east looking to escape the summer heat or fetid conditions in the nation’s fast-growing cities. The influx of summer tourists as well as the jobs they created also contributed to the growing demand for lighting.

ENTERING A NEW ERA
By the early years of the 20th century, small systems for generating and distributing electric power were proliferating around the Black Hills. Costs were high. The number of consumers remained relatively low. Government regulation was local. Cities held the power to grant or withhold a franchise and some reserved the right to set prices as a condition of the franchise. Expansion depended on continuing technological innovation as well as the development of more uses for electricity.

The construction of electric power systems, along with railways, water works, and other public infrastructure, signaled the permanence of white settlement in the Black Hills and western South Dakota. But permanence didn’t guarantee prosperity. Far from the growing industrial cities to the east, the small town and rural residents of western South Dakota would experience the boom and bust cycles of mining and agriculture over the next several decades. Some predicted the region would never overcome its isolation. Foolhardy souls, who invested hard-earned capital to generate and provide electric power, would go broke before they ever earned a decent, if any, return on their investments – unless someone came along to buy them out.