



David Emery
Chairman, President & CEO

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February 3, 2009

2008 Full Year & Fourth Quarter Investor Update

Improving life with energy



Investor Information

COMPANY INFORMATION

Black Hills Corporation

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NYSE Ticker: BKH

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FORWARD LOOKING STATEMENTS

This presentation includes “forward-looking statements” as defined by the Securities and Exchange Commission, or SEC. We make these forward-looking statements in reliance on the safe harbor protections provided under the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, included in this presentation that address activities, events or developments that we expect, believe or anticipate will or may occur in the future are forward-looking statements. These forward-looking statements are based on assumptions which we believe are reasonable based on current expectations and projections about future events and industry conditions and trends affecting our business. However, whether actual results and developments will conform to our expectations and predictions is subject to a number of risks and uncertainties that, among other things, could cause actual results to differ materially from those contained in the forward-looking statements, including the factors discussed above, the risk factors described in Item 1A of Part I of our 2007 Annual Report on Form 10-K filed with the SEC, Item 1A of Part II of our September 30, 2008 Quarterly Report on Form 10-Q, and other reports that we file with the SEC from time to time, and the following:

- Our ability to access the bank loan and debt capital markets and the costs and terms of available financing given the global financial crisis;
- The accounting treatment and variability of interest rate swaps;
- Our ability to successfully maintain our corporate credit rating;
- The impact of the global financial credit crisis on counterparty credit risk and late payments and uncollectible accounts from utility customers;
- The actual contribution to our defined benefit plans in 2009 and the 2009 pension expense;
- The timing, volatility and extent of changes in energy-related and commodity prices, interest rates, foreign exchange rates, energy and commodity supply or volume, the cost and availability of transportation of commodities, and demand for our services, all of which can affect our earnings, liquidity position and the underlying value of our assets, including the possibility that we may be required to take an impairment charge under the SEC’s full cost ceilings test for natural gas and oil reserves;
- Our ability to successfully integrate and profitably operate the five gas and electric utilities recently acquired from Aquila;
- Our ability to complete the planning, permitting, construction, start up and operation of power generation facilities in a cost-effective and timely manner;
- The timing and extent of scheduled and unscheduled outages of power generation facilities;
- Our ability to obtain adequate cost recovery for our utility operations through regulatory proceedings; to receive favorable rulings in periodic applications to recover costs for fuel, transmission and purchased power in our regulated utilities, and our ability to add power generation assets into our regulatory rate base;
- Our ability to meet production targets for oil and gas properties, which may be dependent upon commodity prices; issuance by federal, state, and tribal governments, or agencies thereof, of drilling, environmental and other permits; and the cost and availability of specialized contractors, work force, and equipment; and
- Other factors discussed from time to time in our filings with the SEC.

New factors that could cause actual results to differ materially from those described in forward-looking statements emerge from time-to-time, and it is not possible for us to predict all such factors, or the extent to which any such factor or combination of factors may cause actual results to differ from those contained in any forward-looking statement. We assume no obligation to update publicly any such forward-looking statements, whether as a result of new information, future events or otherwise.

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Discussion Agenda

Transformational Year

- *Integration exceeded expectations*
- *Solid operational performance*

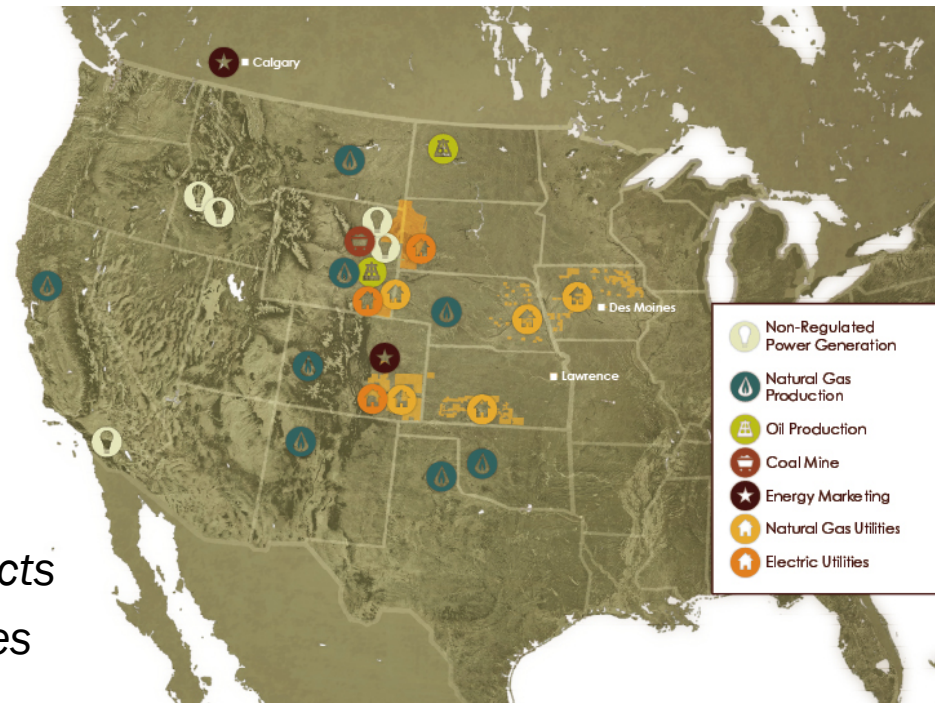
Financial Review

- *2008 Q4 & Full Year Results*

Strategic Review

- *Diversified strategy on track*
- *Well defined capital investment projects*
- *Ability to realize benefits of efficiencies*

Questions and Answers



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Transformational Year

David Emery
Chairman, President & CEO

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2008 Full Year Summary

Transformational year with strong operational performance considering challenges in financial markets, economy & commodity prices

Utilities

- Addition of Wygen II facility as a Cheyenne Light rate base power plant in January 2008
- Wygen III construction on schedule and on budget
- Results from the acquired Black Hills Energy gas and electric utilities included (closed 7/14/08)
- No significant change in utility customer collection rates

Non-Regulated Energy

- Energy marketing finished year strong and built value for 2009 and beyond. No significant credit losses
- Oil and gas production results lower compared to 2007 – Permit delays, reduced drilling spending, and production shut-ins impacted performance
- Commodity price declines at year-end 2008 resulted in a non-cash fourth quarter ceiling test impairment of \$59.0 million (\$1.55 annual loss per share)
- Coal mining earnings lower due to overburden removal expenditures, depreciation, diesel fuel costs and coal taxes
- Coal mining production increased by nearly 20%

IPP Divestiture Proceeds

- \$139.7 million of net income (\$3.66 per share) attributable to after-tax gain on sale of seven IPP plants closed on 7/11/2008, classified as discontinued operations
- Through tax planning, the company expects to defer tax payments associated with the sale in the range of \$135 to \$160 million

Interest Rate Swaps

- Fourth quarter net income includes a non-cash charge of \$61.4 million (\$1.61 annual per share) as a result of unrealized mark-to-market (MTM) impact for certain interest rate swaps that were entered into in anticipation of late 2008 long-term debt issuances that have been delayed to 2009

Dividend

- Board of Directors approved the 39th annual consecutive increase in the quarterly dividend. The dividend was increased by \$0.005 per common share to \$0.355 per share, equivalent to an annual dividend rate of \$1.42 per share

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Single Event Impacts

Strong operational performance overshadowed by financial market downturn and drastic drop in commodity prices

Ceiling Test Impairment

- Quarterly ceiling test required for E&P companies that use the full cost method of accounting for oil and gas reserves
- Test uses December 31 spot prices at the well-head for each property and assumes those prices are held constant for the life of each property
- Recorded a non-cash fourth quarter ceiling test impairment to the full-cost pool in the amount of \$59.0 million (\$1.55 annual loss per share), as a result of the drastic drop in commodity price levels at year-end 2008 combined with high industry service costs

Interest Rate Swaps

- Fourth quarter after-tax earnings charge of \$61.4 million (\$1.61 annual loss per share) as a result of unrealized mark-to-market (MTM) earnings impacts from interest rate swaps put into place to hedge interest rate movements
- Swaps were expected to settle in late 2008 when the Company originally planned to retire the initial acquisition facility and secure long term financing
- The bridge facility was extended and the long-term financing is now expected in 2009
- MTM adjustments will continue to be reported through the income statement during 2009

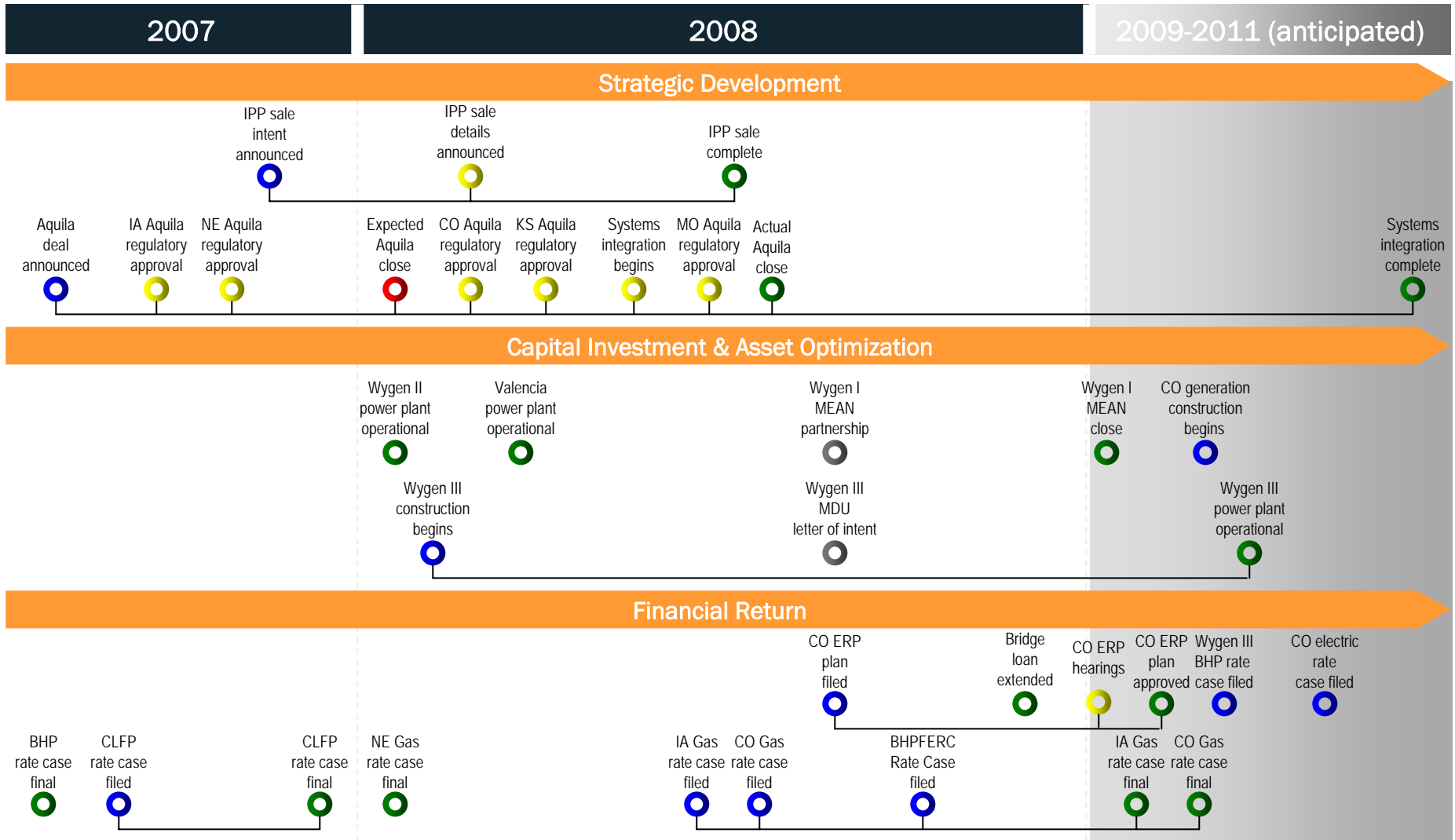
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Earnings Guidance

- Due to challenging economic environment and uncertainties which make it impractical to accurately forecast 2009 earnings at the current time, Black Hills has withdrawn guidance provided on November 24, 2008
- Continued low crude oil and natural gas prices could impact capital expenditures, production, and earnings for the oil and gas segment. In addition, earnings volatility associated with our energy marketing segment and the timing and pricing of our planned debt offerings add to the challenge of continuing 2009 guidance
- We remain confident in the 2009 performance of our business units, particularly our utilities and coal mining segments

Recent Events



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2008 Accomplishments

Successfully closed two largest transactions in 125 year history while delivering results from other businesses and keeping significant strategic projects on track



Workers at the Wygen III construction site at the Neil Simpson Complex raised the newly arrived steam drum into place on January 17, 2009.

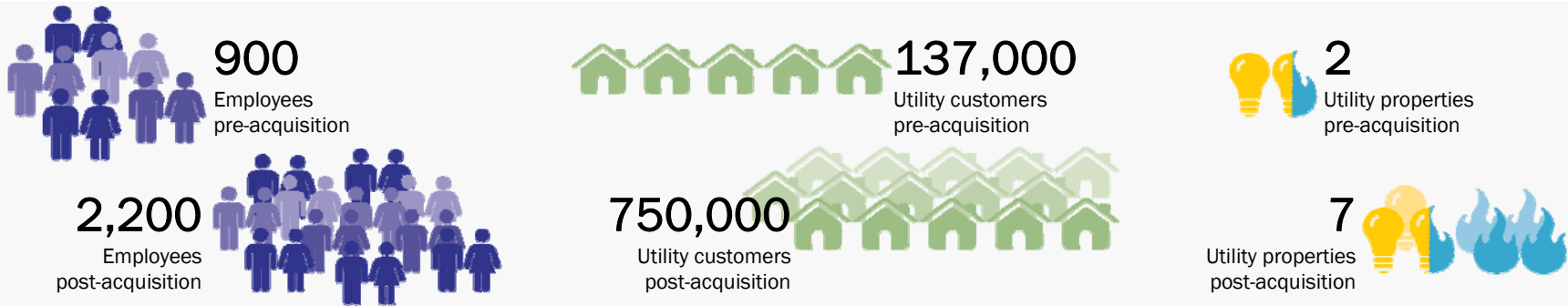
- ✓ Wygen II in service and in rates for Cheyenne Light
- ✓ Wygen III construction on schedule and on budget
- ✓ IPP divestiture complete
- ✓ Aquila acquisition complete
- ✓ Colorado natural gas rate case filed – settlement awaiting commission order
- ✓ Iowa natural gas rate case filed – hearings begin in March 2009
- ✓ Increased coal mining production by nearly 20%
- ✓ Colorado Electric Resource Plan filed – hearings completed in January 2009 & expect Commission ruling in February 2009
- ✓ Integration of renewable energy through Happy Jack Wind Farm PPA
- ✓ New peaks for service territory
 - CLF&P new all-time peak load of 176 MW on 12/14/2008
 - BHP new winter peak load of 407 MW on 12/14/2008
 - CO Electric new all-time peak load of 376 MW on 8/1/2008
- ✓ BHP FERC Transmission rate case filed – \$3.8 million rate increase implemented in January 2009 subject to refund; order expected February 2009
- ✓ Black Hills Energy rebranding nearly complete
- ✓ \$383 million Aquila acquisition facility extended through 2009

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Black Hills Energy Integration Update

*Integration of the five utilities acquired from Aquila exceeded expectations.
Employees executed transition plans extremely well*



Operations

- Day 1 – No disruption in gas or electric operations to 600,000 newly acquired customers
- Call Center & Field Resource Center systems fully operational
- Scheduling, dispatching and marketing Colorado Electric’s generation and purchased power transitioned seamlessly
- Colorado Electric meter lab transferred to Black Hills Power
- Daily gas nominations and load control transferred

Customer Service

- Added Interactive Voice Response (IVR) technology to BHC
- 5,000 calls handled Day 1 and 32,800 calls by end of week
- Week 1 accurately billed 28,000 customers per day
- Call center technology for both Lincoln and Rapid City sites installed, configured and fully functional on Day 1
- Customer service statistics well within Commission standards

Systems

- 57 new business software applications
- 275 new servers
- Migration to Outlook Exchange completed
- 1.8 million documents and 165,000 workgroup folders transferred
- All BH Employees moved to single domain

Communications

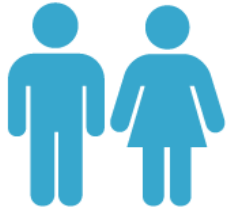
- 400+ community phone calls made to local officials
- 7,970 One Books distributed to business associates
- 2,300 One @ One hats distributed at 52 employee events
- Over 1.2 million customer mailers distributed
- 2,300 community letters mailed to vendors, associations & leaders

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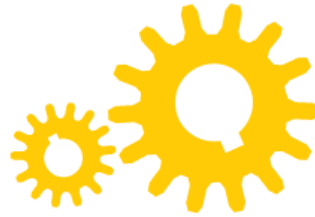
Unification Next Steps

Building scalable platform of unified systems and processes to gain efficiencies and prepare for future growth



People

Common values, aligned goals, consistent processes, & engaged employees



Processes

Integrate best practices to provide first-class service



Systems

From complex & expensive to scalable, efficient & economical

Current Initiatives:

- Benefit & Compensation Integration
- Performance Management
- Succession Planning
- Career Planning & Development
- Employee Engagement Survey

Current Initiatives:

- Construction standards & inventory
- Accounting coding values consolidation
- New procurement approval process
- New administration of benefits process

Current Initiatives:

- Customer Information System
- Lawson to PeopleSoft Financial System
- Outage Management system
- GIS/Mapping system
- Utility Work Management
- Power Plant Work Management

Financial Review

Tony Cleberg
Executive Vice President & CFO

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2008 EPS Guidance vs. Actual

As of 12/31/2008

	Guidance		Actual
Adjusted Income from Continuing Operations (1)	\$ 2.00	to \$ 2.10	
MEAN Sale - Moved to January 2009	(0.38)	to (0.38)	-
Cont. Ops. before Interest Swap MTM and Ceiling Test Impairment (2)	1.62	1.72	\$ 1.79
Asset Impairment - Ceiling Test	-	-	(1.55)
Unrealized MTM Loss on Interest Rate Swap	-	-	(1.61)
Income (Loss) from Continuing Operations	\$ 1.62	\$ 1.72	\$ (1.37)

- (1) The company provided 2009 earnings guidance in terms utilizing non-GAAP financial measures. The earnings guidance utilizes the GAAP term "Income from continuing operations" and adjusts it to exclude the effects of mark-to-market adjustments associated with certain of our interest rate swaps. We are unable to reconcile our non-GAAP earnings guidance to GAAP earnings per share because we could not accurately predict the future impact associated with the mark-to-market adjustments from these interest rate swaps at the time of our guidance.
- (2) Constitutes a non-GAAP financial measure. The table above provides a reconciliation to the GAAP financial measure "Income (loss) from Continuing Operations".

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2008 Full Year Summary

Income from continuing operations declined to a loss of \$52.2 million (\$1.37 per share) compared to income of \$75.3 million (\$2.01 per share) full year 2007

Utilities

Income from continuing operations was \$43.9 million compared to \$31.6 million in 2007

- \$8.1 million increase in electric utilities
- \$4.2 million gas utilities income from 7/14/08 acquisition

Primary Performance Drivers

- Cheyenne Light rate recovery effective 1/2008
- Addition of Wygen II facility as a rate base power plant in 1/2008
- Wygen III construction on schedule and on budget
- Includes results from the acquired Black Hills Energy gas and electric utilities (closed 7/14/08)

Non-Regulated Energy

Loss from continuing operations was \$23.5 million compared to income from continuing operations of \$49.5 million in 2007

- \$6.6 million increase in power generation
- \$2.1 million decrease in coal mining
- \$14.5 million decrease in energy marketing
- \$62.4 million decrease in oil & gas

Primary Performance Drivers

- Power generation earnings increased as 2007 results were negatively impacted by impairment charges and higher allocated indirect corporate costs, partially offset by lower non-operating income in 2008 resulting from capital restructuring
- Coal mining earnings lower due to overburden removal expenditures, depreciation, diesel fuel prices and coal taxes, partially offset by higher average coal prices
- Energy marketing results reflect comparison to record 2007
- Increase in average hedged oil price received
- \$59.0 million ceiling test charge in the oil and gas segment
- Oil and gas permit delays and reduced drilling at non-operated properties as well as the temporary shut-in of production in the Piceance Basin

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Quarterly Consolidated Financial Results

(In millions, except per share amounts)

	2008 4th Quarter		2007 4th Quarter		2008 3rd Quarter	
	QTD	EPS	QTD	EPS	QTD	EPS
Revenue	\$ 407.8	\$ 10.65	\$ 153.6	\$ 4.03	\$ 291.9	\$ 7.60
Operating (expense)	(353.9)	(9.24)	(121.6)	(3.19)	(249.2)	(6.49)
Ceilings test asset impairment	(91.8)	(2.40)	-	-	-	-
Operating (loss) income	(37.9)	(0.99)	32.0	0.84	42.7	1.11
Interest expense	(19.0)	(0.50)	(6.5)	(0.17)	(16.4)	(0.43)
Other income (expense)	3.3	0.09	(1.3)	(0.03)	3.5	0.10
Unrealized mark to market swap	(94.4)	(2.46)	-	-	-	-
Income before income tax	(148.0)	(3.86)	24.2	0.64	29.8	0.78
Income tax	51.4	1.34	(6.4)	0.17	(10.3)	(0.27)
(Loss) income from cont. ops.	(96.6)	(2.52)	17.8	0.47	19.5	0.51
Disc. operations, net of tax	(2.2)	(0.06)	6.0	0.16	145.4	3.78
Net (loss) income	\$ (98.8)	\$ (2.58)	\$ 23.8	\$ 0.63	\$ 164.9	\$ 4.29
Weighted Average Common Share O/S		38.3		38.1		38.4

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Revenue/Operating Income Roll-up

Quarter to Date

(in millions)

	Revenue			Operating Income (Loss)		
	Q4 2008	Q4 2007	Q3 2008	Q4 2008	Q4 2007	Q3 2008
Electric Utilities	\$ 142.7	\$ 79.4	\$ 136.7	\$ 19.4	\$ 14.6	\$ 20.6
Gas Utilities	193.1	-	83.9	13.9	-	1.0
	<u>335.8</u>	<u>79.4</u>	<u>220.6</u>	<u>33.3</u>	<u>14.6</u>	<u>21.6</u>
Non-regulated Energy						
Oil and gas	20.6	25.6	25.4	(93.3)	6.3	4.1
Power generation	9.2	8.6	11.7	4.0	0.5	7.4
Coal mining	13.9	11.4	15.0	0.9	2.0	1.8
Energy marketing	28.8	28.6	19.2	19.2	15.0	10.2
I/C eliminations	(0.5)	-	-	(0.5)	-	-
	<u>72.0</u>	<u>74.2</u>	<u>71.3</u>	<u>(69.7)</u>	<u>23.8</u>	<u>23.5</u>
Corporate				(1.5)	(6.4)	(2.4)
Total	<u>\$ 407.8</u>	<u>\$ 153.6</u>	<u>\$ 291.9</u>	<u>\$ (37.9)</u>	<u>\$ 32.0</u>	<u>\$ 42.7</u>

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Annual Consolidated Financial Results

(In millions, except per share amounts)

	2008	Per Share	2007	Per Share	Comments to 2008
Revenue	\$ 1,005.8	\$ 26.33	\$ 574.8	\$ 15.37	Aquila acquisition / Cost Recovery
Operating (expense)	(858.1)	(22.47)	(449.1)	(12.01)	
Ceilings test asset impairment	(91.8)	(2.40)	-	-	Oil & Gas Asset Impairment
Operating income	55.9	1.46	125.7	3.36	
Interest expense	(54.2)	(1.42)	(25.2)	(0.67)	Debt Increase / Lower AFUDC
Other income (expense)	11.2	0.29	7.2	0.19	Increase at Unconsolidated Subs
Unrealized mark to market swap	(94.4)	(2.47)	-	-	Unrealized Mark to Market Loss
Income before income tax	(81.5)	(2.14)	107.7	2.88	
Income tax	29.4	0.77	(32.4)	(0.87)	2007 Includes True-ups
(Loss) Income from cont. ops.	(52.1)	(1.37)	75.3	2.01	
Disc. operations, net of tax	157.2	4.12	23.5	0.63	2008 IPP Gain on Sale - \$3.66/share
Net income	\$ 105.1	\$ 2.75	\$ 98.8	\$ 2.64	
Weighted Average Common Share O/S		38.2		37.4	

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Revenue/Operating Income Roll-up

Quarter to Date (in millions)

	Revenue			Operating Income (Loss)		
	Q4 2008	Q4 2007	Q3 2008	Q4 2008	Q4 2007	Q3 2008
Electric Utilities	\$ 142.7	\$ 79.4	\$ 136.7	\$ 19.4	\$ 14.6	\$ 20.6
Gas Utilities	193.1	-	83.9	13.9	-	1.0
	<u>335.8</u>	<u>79.4</u>	<u>220.6</u>	<u>33.3</u>	<u>14.6</u>	<u>21.6</u>
Non-regulated Energy						
Oil and gas	20.6	25.6	25.4	(93.3)	6.3	4.1
Power generation	9.2	8.6	11.7	4.0	0.5	7.4
Coal mining	13.9	11.4	15.0	0.9	2.0	1.8
Energy marketing	28.8	28.6	19.2	19.2	15.0	10.2
I/C eliminations	(0.5)	-	-	(0.5)	-	-
	<u>72.0</u>	<u>74.2</u>	<u>71.3</u>	<u>(69.7)</u>	<u>23.8</u>	<u>23.5</u>
Corporate				(1.5)	(6.4)	(2.4)
Total	<u>\$ 407.8</u>	<u>\$ 153.6</u>	<u>\$ 291.9</u>	<u>\$ (37.9)</u>	<u>\$ 32.0</u>	<u>\$ 42.7</u>

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Consolidated Statement of Capitalization

(in millions)	Dec. 31, 2008	Sept. 30, 2008	Dec. 31, 2007
Capitalization:			
Short term debt:			
Current maturities *	\$ 2.1	\$ 2.1	\$ 130.3
Corporate	703.8	627.8	37.0
	<u>705.9</u>	<u>629.9</u>	<u>167.3</u>
Long term debt:			
Corporate	224.9	224.9	224.8
Utilities	276.2	276.2	278.2
Non-regulated energy *	0.2	0.2	0.2
	<u>501.3</u>	<u>501.3</u>	<u>503.2</u>
Total Debt	1,207.2	1,131.2	670.5
Cash	168.5	152.5	76.9
Net Debt	1,038.7	978.7	593.6
Common stock	621.9	617.7	597.0
Retained earnings	447.5	561.1	397.4
AOCI	(18.9)	(29.5)	(24.5)
Total Equity	1,050.5	1,149.3	969.9
Total Capitalization	\$ 2,258	\$ 2,281	\$ 1,640
Debt to Capitalization	53%	50%	41%
Net Debt to Capitalization	50%	46%	38%
Long-term Debt to Capitalization	32%	30%	34%

* BH Wyoming - \$128.3 million Wygen I debt matured in June 2008

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Credit & Liquidity Update

*Proactively managing cash flows, capital expenditures and credit needs
in balance with our growth strategy*

Primary Credit Facilities (as of 1/31/2009)	Capacity	Utilized	Available
Bridge Loan (Aquila) – Extended until December 2009	\$1 billion	\$383 million	None – 1 time draw
Enserco Credit Facility (Uncommitted) – Matures May 2009 – LC's only	\$300 million	\$126 million (LC)	\$174 million (LC)
Corporate Revolver – Matures May 2010	\$525 million	\$193 million \$67 million (LC)	\$265 million
Current Maturities of LTD	--	\$2 million	--
LTD – BHC (Due 2013)	--	\$225 million	--
LTD – Other	--	\$276 million	--

- Evaluating financing options to retire short-term debt
- No significant long-term debt maturities until 2013

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Strategic Review

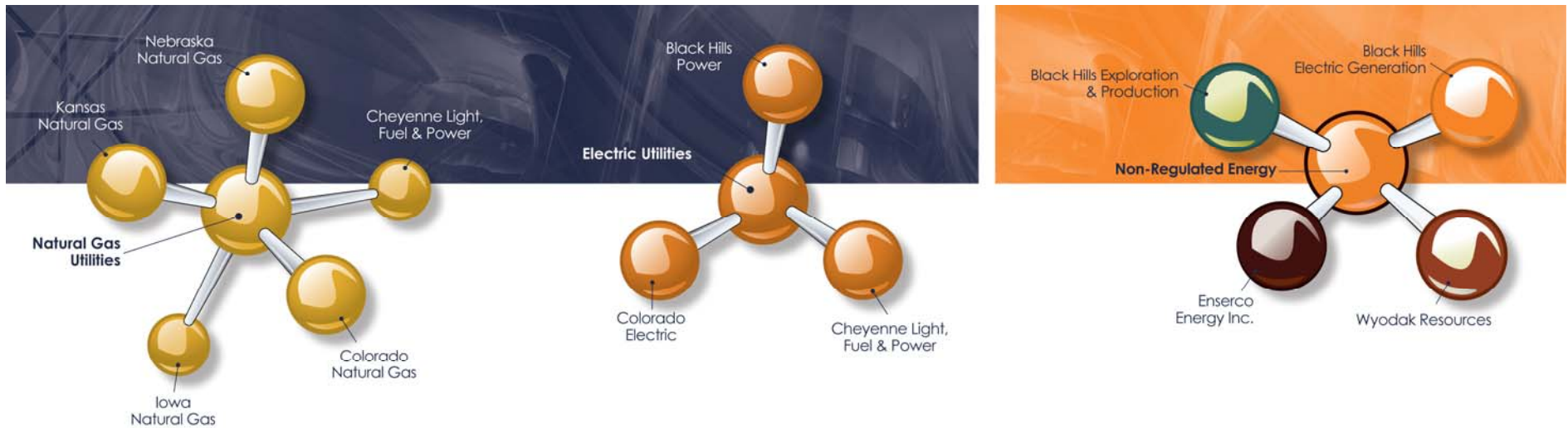
David Emery
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Strong Financial Foundation

Diversified platform for growth based on stable cash flows, more predictable earnings and increased efficiencies



- **Balanced asset mix: approximately 2/3 regulated utility and 1/3 non-regulated energy**
- **Strong cash flows, solid balance sheet, and demonstrated access to capital markets**
- **Current capital structure of approximately 53% total debt to total capitalization**
- **Stronger overall corporate risk profile**

Reporting Segments

Six reporting segments – utility segments realigned to reflect new organization

Utilities

Gas Utilities

- Colorado Natural Gas
- Kansas Natural Gas
- Nebraska Natural Gas
- Iowa Natural Gas

Electric Utilities

- Black Hills Power
- Cheyenne Light, Fuel & Power *
- Colorado Electric

Non-Regulated Energy

Coal

- Wyodak Resources

Energy Marketing

- Enserco Energy

Oil & Gas

- Black Hills Exploration & Production

Power Generation

- Black Hills Electric Generation

* Supplies electric and gas utility service to Cheyenne, Wyoming and vicinity

1 Growth Oriented Opportunities

Growth projects and capital investments remain a priority and our businesses continue to build value even during these unprecedented economic times

Excludes routine capital expenditures, such as maintenance and new customer growth capital

~Net Capital Expenditure

Oil & Gas

\$65-90 million per year*

Wygen III

\$191 million total (2008-2010)

CO Electric Rate Base Generation

\$350-\$550 million total (2009-2011)

Transmission for Black Hills Power and CO Electric

\$60-65 million (2008 and 2009)

CO Electric Advanced Meter Infrastructure (AMI)

\$6.9 million total (2008 - 2010)

Generation Upgrades

\$16 million total (2008 and 2009)

~ 2008-2011 TOTAL

\$883 million - \$1.1 billion*

* Previously disclosed that we will spend \$35-\$40 million in 2009 - if oil and natural gas prices stay low, we may spend less

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Colorado ERP Update

Proposed construction of utility-owned generation provides lowest cost, most reliable long-term power for customers



August 2008 – Colorado Electric Resource Plan

- \$350 million to \$550 million capital expenditure project to serve current utility customer load when PPA expires
- Proposed construction of five combustion turbines ready for service on January 1, 2012
- Evaluating sites in Colorado near existing transmission lines and natural gas pipelines
- Evaluating renewable supply options to comply with state mandates

January 2009

- CO Public Service Commission Hearings (Jan. 15, 2009, Jan. 20-23, 2009, & Jan. 26, 2009)

February 2009

- Commission order expected February 2009

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Regulatory Update

*Committed to delivering the service and reliability customers depend on
and the value investors expect*

	Overview	Status
Kansas Gas	New rates implemented June 1, 2007 representing \$5.1 million annual increase	● Complete
Cheyenne Light	New rates implemented January 1, 2008 representing \$4.4 million increase in gas rates and \$6.7 million in electric rates	● Complete
Nebraska Gas	New rates implemented April 1, 2008 representing \$9.2 million annual increase	● Complete
Iowa Gas	June 2, 2008 filed for rate increase of \$13.6 million. Interim rates of \$9.4 million went into effect on June 13, 2008; hearings begin in March 2009	○ Pending
Colorado Gas	June 30, 2008 filed for rate increase of \$2.8 million. Interim rates not applicable; settlement negotiated; final order expected in February	○ Settlement
Black Hills Power	FERC transmission rate case settled for \$3.8 million (\$4.5 million original request) – rates subject to refund implemented January 1; final order expected in February	○ Settlement
Black Hills Power	Future Wygen III request for addition to rate base in SD and WY (\$191 million budget for 75% ownership)	○ Future Filing
Colorado Electric	Future request for addition to rate base for generation and transmission investments	○ Future Filing

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Executing Our Long-Term Strategic Plan

Well positioned with a focused strategy, talented and dedicated employees, access to capital markets, and opportunity for operating efficiencies as integration continues

Strategy	2008 Progress
UTILITIES + Acquire regulated utility properties in our geographic focus + Construct additional rate-base generation to serve existing customers + Balance integration of alternative and renewable energy with customer rate impacts + Power marketing opportunities + Construct additional transmission to support generation development, increase reliability, & address growing demand	<input checked="" type="checkbox"/> Completed Wygen II facility and associated CLFP rate case (1/2008) <input checked="" type="checkbox"/> Acquired five natural gas and electric utilities (7/2008) <input checked="" type="checkbox"/> Completed PPA to receive energy from Happy Jack Wind Farm (7/2008) <input checked="" type="checkbox"/> Filed BHP FERC Transmission Rate Case 9/29/2008 <input checked="" type="checkbox"/> Completed Black Hills Energy rebranding project by 12/08 <input type="checkbox"/> Close on sale of 25% interest in Wygen III to MDU <input type="checkbox"/> File Wygen III related rate case so it is effective in Q2 2010 <input type="checkbox"/> Construct rate base generation for CO Electric (PUC approval in 2009) <input type="checkbox"/> Complete Neil Simpson II condenser upgrade project - 8 MW (2009) <input type="checkbox"/> Complete natural gas rate cases in Iowa (2009) <input type="checkbox"/> Complete natural gas rate cases in Colorado (2009) <input type="checkbox"/> Implement expanded AMI program in CO Electric (2009)
POWER GENERATION + Selectively grow power generation segment + Sell large percentage of capacity and energy production to load-serving utilities	<input checked="" type="checkbox"/> Sale of 23.5% undivided interest in Wygen I (MEAN) - closed 1/20/2009 <input type="checkbox"/> Complete Wygen I condenser upgrade project - 8 MW (2009) <input type="checkbox"/> Complete Wygen III facility on schedule & on budget - (2010)
COAL MINING + Efficiently utilize coal resources through expansion of mine-mouth generation and increased third-party coal sales	<input checked="" type="checkbox"/> Increased coal production for Wygen II <input type="checkbox"/> 600,000 tons of coal production increase for Wygen III (2010)
OIL & GAS + Increase production through development of existing acreage and limited acquisitions	<input type="checkbox"/> \$65-\$90 million per year investment in oil and gas development*
ENERGY MARKETING + Geographically expand our energy marketing + Diligently manage inherent energy marketing risks + Conduct business with diversified group of creditworthy counterparties	<input checked="" type="checkbox"/> Developed 3 new crude oil truck terminals in 2008 for a total of 5 stations overall <input checked="" type="checkbox"/> Added 134 Bcf of long-term transportation in 2008
SERVICE COMPANY (CORPORATE) + Optimize systems and processes to minimize costs and create cost platform for growth	<input checked="" type="checkbox"/> 2008 integration and transition costs less than projected

* Previously disclosed that we will spend \$35-\$40 million in 2009 - if oil and natural gas prices stay low, we may spend less

Improving life with energy



Q & A

Improving life with energy





Vision: Be the energy partner of choice.

Values:



Agility

We embrace change and challenge ourselves to adapt quickly to opportunities.



Communication

Consistent, open and timely communication keeps us focused on our strategy and goals.



Creating Value

We are committed to creating exceptional value for our shareholders, employees, customers and the communities we serve . . . always.



Customer Service

We are committed to providing a superior customer experience every day.



Integrity

We hold ourselves to the highest standards based on a foundation of unquestionable ethics.



Leadership

Leadership is an attitude. Everyone must demonstrate the care and initiative to do things right.



Partnership

Our partnerships with shareholders, communities, regulators, customers and each other make us all stronger.



Respect

We respect each other. Our unique talents and diversity anchor a culture of success.

Mission: Improving life with energy.

